

The complaint

Mr M says Acromas Insurance Company Limited provided poor service when he made a claim on his motor insurance policy and that there was excessive delay in carrying out repairs. Any reference to Acromas in this decision includes its agents.

What happened

Mr M's car was badly damaged in December 2022. Although it seems it was a borderline total loss, Acromas decided to instruct a dealership garage to repair it in January 2023 when it couldn't find a suitable repairer in its own network.

The garage didn't submit an estimate for repairs to Acromas until 20 February 2023. Parts then had to be ordered. The garage submitted an estimate for further repairs on 28 March 2023, when more parts were ordered. Mr M complained about the long delay with the repairs in July 2023 and asked for a total loss payment instead. Acromas didn't agree to that, as significant repair work had already been done. But the remaining parts still hadn't been received by the time Acromas issued its response to his complaint on 7 September 2023.

Mr M also complained to Acromas about the lack of updates on the claim, that he'd had to chase it for information and that there was a delay in getting a replacement car. In its response, Acromas accepted that he should have had a replacement car earlier and offered him £120 for loss of use. It also accepted that Mr M should have been given updates and replies from the portal he'd used – and that his concerns should have been addressed earlier. It offered him £225 compensation. It didn't accept that it was responsible for the upset caused by the delayed repairs, as it said that was outside its control.

One of our investigators reviewed Mr M's complaint. He thought Acromas had acted reasonably in paying Mr M £120 for loss of use and £225 for poor communication issues. But he didn't think it had done all it could to ensure his claim was dealt with promptly and fairly. In his opinion, given the lengthy and ongoing delay with the repairs, at some point it should have considered paying Mr M cash in lieu of repairs or a total loss settlement. He thought the impact on Mr M of the continuing delay merited a further £275 compensation in total for distress and inconvenience.

Acromas said it couldn't make a total loss payment when it had already spent around £35,000 on the repairs. It said Mr M had a replacement car throughout and that his car was being repaired by a dealership garage. But it acknowledged the impact on consumers in cases such as this, where there is unavoidable delay. It accepted it would be reasonable to raise the compensation for distress and inconvenience to £400. The investigator said Acromas hadn't discussed the options with Mr M, and he didn't think the sum spent on the repairs was a valid reason for Acromas not to offer Mr M a total loss payment. As there was no agreement, the complaint was passed to me for review.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As the dealership garage wasn't in its network, I think Acromas was limited in what it could do to address any issues with it. It seems the problem in locating parts was known to the garage from 7 February 2023. The claims file notes show that Acromas chased it for updates often, but that it was slow to respond. And there was a delay in the garage sending its estimates to Acromas. It isn't clear whether the garage chased the parts' progress, and Acromas had no way of knowing. It had to rely on the garage's estimated delivery dates – and it seems all of them were missed by the parts' suppliers.

There's generally a longer wait for parts now (post-pandemic) than previously, which has caused longer repair times in many cases. We don't usually think insurers should be held responsible for delays that are outside their control. And this case is complicated further by the fact that the repairs weren't all on hold until the parts arrived, as is often the case. I think the claims notes show that the possibility of a total loss payment was considered by Acromas in June 2023 - by which time it seems it had already paid £30,000 in repair costs.

I think that shows Acromas was aware even then that Mr M had waited an unacceptable time for the repairs and that he still faced an open-ended delay. I can see why it didn't want to pay Mr M the pre-accident value for his car (around £48,000) on top of the sum it had already paid out. But it was Acromas's decision not to write the car off in the first place. Doing so was an option, given the extent of the damage and the fact that a dealership garage had to repair it. That was always going to increase Acromas's overall costs, even if the availability of parts hadn't been such a problem. But an insurer has the right to deal with a claim as it sees fit. There's no obligation to discuss the situation with a consumer, although we think managing their expectations is important. But if a delay gets out of hand, I think an insurer has to consider the impact on a consumer. Sometimes, it may be fair and reasonable to consider offering compensation even when a non-network garage has been instructed.

When he complained to Acromas in July 2023, Mr M was utterly frustrated with the lack of progress to date *and* with the ongoing uncertainty about when he'd get his car back. As far as he knew, it could have taken *another* seven months, and that was on top of all the other poor service he'd faced. He just wanted the situation to end, but still it dragged on.

I think Acromas underestimated the impact on Mr M of the anxiety and stress he experienced as a result. And although he had a replacement car (per the policy terms) it wasn't equivalent to his own. Most consumers will accept that they'll face inconvenience for a reasonable time if repairs are necessary. Mr M did accept it, but after so many months without his car – and despite all the chasing he'd done - Mr M was still looking at an unspecified repair completion date, which by then he knew Acromas couldn't control.

Acromas has now recognised that it should have paid Mr M more than £225 for distress and inconvenience. It thinks £400 in total is sufficient. But taking into account the amount of stress, worry, frustration, and inconvenience Mr M faced in several respects over many months, I think it would be fair and reasonable for it to pay him £500 in total.

Mr M got his car back in October 2023. If he has any concerns about what happened after Acromas issued its final response letter in September 2023, he will need to raise them with it (to give it the chance to put matters right) before it's open to him to complain to us.

My final decision

My final decision is that I uphold this complaint. I require Acromas Insurance Company Limited to pay Mr M a further £275 (£500 in total) for distress and inconvenience (in addition to the £120 it had already agreed to pay him for the loss of use of his car).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 March 2024.

Susan Ewins

Ombudsman