

The complaint

Mr K & Mr K complain about the way Marshmallow Insurance Limited ("Marshmallow") handled a claim under their car insurance policy.

What happened

Mr K & Mr K had a car insurance policy with Marshmallow.

In November 2022 Mr K was involved in a collision with a third party. He reported the claim to Marshmallow as a 'notification only' because he was intending to make a claim directly from the third-party driver who he believed was at fault.

Soon after, he re-contacted Marshmallow and asked for it to handle the repair of his car.

This complaint will consider the claims journey from this point until the date of Marshmallow's final response letter, which was 24 February 2023. Mr K & Mr K have made a further complaint to Marshmallow about the sequence of events from that point onwards.

Marshmallow wasn't able to fix the car as its approved repairers were busy. The policy included the provision of a courtesy car, but because it didn't have capacity, Mr K & Mr K's car couldn't be assessed or repaired or a courtesy car provided to them.

The car was booked in at Marshmallow's repairer on 30 November but not taken there until 13 January 2023. A courtesy car was provided to Mr K & Mr K on 31 January.

Mr K & Mr K complained about the service they'd had. Marshmallow partially upheld their complaint. It said it recognised a courtesy car hadn't been provided for a period of 18 days, and it agreed to pay £180 for this. It also offered compensation of £100 for its poor communications during the claim meaning Mr K & Mr K had to do most of the chasing up throughout.

Mr K & Mr K remained unhappy and brought their complaint to this service. Our investigator looked into it and thought it would be upheld. He asked Marshmallow for its claims file but it only sent part of it. So our investigator issued a view on the available information.

He thought that the appropriate compensation would be £100 for the poor service Mr K & Mr K had, but he also thought Marshmallow should pay them a further 51 days loss of use of their car at £10 per day. He said this was taken from 22 November (a week after the collision) to 13 January.

Marshmallow didn't agree with the view. It said it paid loss of use for a period of delays during the claim but didn't think it was responsible for the rest. It asked that this complaint was reviewed by an ombudsman, so it has been passed to me to make a final decision.

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.

I've read the available evidence about Mr K & Mr K's claim and I can see how frustrating the experience has been to them. I've mentioned above that this complaint only considers the situation up to 24 February 2023, but I can see that the claim continued well beyond that point.

Having considered the file, I'm upholding this complaint and I'll explain why.

In its final response, Marshmallow said:

"...we feel our claims agent could have responded to you in a more timely manner and kept you informed about what they were doing..."

"...email, which is another area I believe to be lacking. In total. Marshmallow sent only one email to you regarding your claim. As they did not do this, we understand this led to you having to chase us for updates, which we would not expect our customers to do."

From the file I have, it seems to me that Marshmallow's communication and service to Mr K & Mr K was poor throughout their claim.

I've looked at the delays repairing their car, which Marshmallow say is because of global parts and supply issues causing backlogs at repairers. In its final response, Marshmallow said there was a delay getting the car onsite

"Your vehicle was allocated to an approved repair garage on 30/11/2022, but... I can confirm your vehicle was not onsite with the approved repairer until 13/01/2023. The reason for this was partly due to a wait in the authorisation. Overall the delay during your claim was not acceptable..."

I can also see that Mr K & Mr K contacted Marshmallow during February to ask why the repairs to their car hadn't been authorised as the repairer said it'd been waiting for some weeks for this.

Under its policy wording, Marshmallow says it provides a courtesy car once the car was being repaired by its approved repairer:

"If a valid claim is made under this policy, and the insured vehicle is to be repaired by one of our approved repairers the repairer will provide you with a courtesy car (subject to availability) for the duration of the repairs."

But I think it's clear in this case that Marshmallow's service fell far short of Mr K & Mr K's reasonable expectations. I've said above that I don't think its communications with them were sufficient and it seems, from the information I have, that it reasonably caused delays getting their car into a repairer and later the repairs authorised.

I can see from their evidence that this caused Mr K & Mr K inconvenience for an extended period.

So I think the fair result is that it pays for Mr K & Mr K's loss of use of their car at £10 per day from a period one week after the claim was brought, to the date the car was at the approved repairer. So, an additional 51 days at £10 per day. For the avoidance of doubt, this is in addition to the £180 already offered by Marshmallow.

I've also thought about the distress and inconvenience caused by Marshmallow. I've considered this service's guidelines, and I think a payment of £100 is appropriate.

My final decision

It's my final decision that I uphold this complaint. I direct Marshmallow Insurance Limited to pay Mr K & Mr K:

- Additional loss of use of their car at £10 per day for 51 days.
- £100 compensation for their distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mr K to accept or reject my decision before 27 February 2024.

Richard Sowden
Ombudsman