

## **The complaint**

A limited company that I will refer to as H complains about the service provided by Marsh Ltd in relation to a commercial motor insurance claim.

## **What happened**

The following is intended only as a brief summary of events. Much of the actions taken in relation to this complaint were carried out by a third-party, "F". However, this third-party was acting as Marsh's agent and hence Marsh is responsible for their actions. As such, I have largely just referred to H and Marsh within this decision.

H operates as a plumbing and heating company. It held a motor fleet insurance policy, underwritten by a third party, "X". The policy was arranged by Marsh. In September 2022, H contacted Marsh to let it know it needed to claim under the policy following damage to one of its vehicles. X were notified by Marsh, and Marsh arranged for repairs to the vehicle to be carried out.

The vehicle was still drivable, and due to the amount of work the garage already had on, the vehicle was not taken for repairs until March 2023. H says it was told the repairs would take nine days. However, it was not until over a month later that its vehicle was returned, and even at this point not all of the repairs were complete. H arranged for the completion of the repairs. And all the costs of the repairs have been met by X.

H is unhappy that it was without its vehicle for so long and says that, had it known the duration of the repairs, it would have hired a replacement vehicle. When H complained, Marsh explained that the full extent of the damage, and hence which parts needed replacing, was not known until the vehicle was stripped. And that there were delays in the actual parts being received by the garage. Marsh also said that when H was told the repairs would take nine days, this was not definitive. So, it did not uphold H's complaint.

H remained unsatisfied and brought its complaint to the Ombudsman Service. Our Investigator recommended the complaint be upheld. He said that H should have been correctly updated, so that when it became clear the delays would take longer it could have mitigated its consequential losses. He recommended Marsh pay H £150 to recognise the general additional inconvenience caused by the issues, and £1,247.40 towards the consequential losses H had suffered as a result of being without its vehicle.

Neither H nor Marsh responded, and the complaint has been passed to me for a 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.

Having done so, I am upholding this complaint, largely for the same reasons as the Investigator.

Marsh is not H's insurer. However, it was in the circumstances of this complaint assisting in the administration and performance of a contract of insurance. It had effectively agreed to arrange the repairs and obtain the costs of these from X. By doing so, it was then responsible for delivering this service appropriately. Part of this included ensuring there were no avoidable delays, and that H was provided with clear and accurate information.

It isn't clear whether the garage Marsh used to carry out the repairs caused any of the delays itself. For example, it isn't clear whether the vehicle was promptly stripped and the relevant part(s) ordered. But H says that the garage provided H with inaccurate information. As the garage was acting as its agent, I consider Marsh is ultimately responsible for this.

Marsh has said that the nine-day period was only an estimate. It is not clear how definitive or not the comments from the garage were at the time. So, I am not sure what Marsh has based this on. The garage has said that it kept H updated throughout the repairs. But no evidence has been provided to support this. And H has been consistent that it was not provided with accurate information. H has said that it chased the garage a number of times but was told on each occasion that the repairs would only take a short period more. And that this meant H was unable to take alternative action to reduce its losses.

Taking everything into account, I am persuaded that it is more likely than not that the garage failed to provide accurate updates to H.

The consequences of this are that H was unable to plan ahead. It has said that, had it been told that the repairs would take so long, it would have sourced an alternative vehicle. But that the lack of clear and accurate information meant that this was not possible – it was continuously left with the belief that it would have its vehicle back imminently. H has said that, as a result of not having this vehicle – and only having a courtesy car which was not suitable for much of its work, it estimates it lost a large number of jobs it otherwise would have been paid for.

Given the sequence of events, H would always have been without a vehicle before knowing it needed to make alternative arrangements. But, once it was told it would be some time before the repair could be completed, it could have made alternative arrangements. It isn't possible to be sure when this would have been; it isn't clear when the garage was or ought to have been aware of the need for additional parts, nor how quickly H could have made alternative arrangements. However, H was aware that it would be without the vehicle for nine days. So, using this as the date when it would have made sure it had an alternative vehicle, the period of this consequential loss is 21 days.

H has said that, on average, it charges £66 plus VAT for the jobs it carries out. And that, on average it would have carried out 38 jobs per week using the vehicle. As a result of not having this vehicle, it says it was only able to carry out 29 jobs per week. This equates to a loss of £118.80 per day. H has not been able to fully evidence this loss though. I also need to take into account that if H had to hire an alternative vehicle, this would likely come at its own cost – and it is not clear that this would be a sum that it would have been able to recover.

Given this uncertainty, I agree with our Investigator that requiring Marsh to compensate H half of this likely consequential loss is fair and reasonable in the circumstances.

I also agree that H should not have needed to chase for the updates it says it had to. And that, had Marsh provided the level of service it ought to, H would not have incurred the level of inconvenience it did.

### **Putting things right**

Marsh Ltd should pay H:

- £150 compensation for the avoidable inconvenience it experienced
- £1,247.40 towards its consequential losses.

### **My final decision**

My final decision is that I uphold this complaint. Marsh Ltd should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 8 March 2024.

Sam Thomas  
**Ombudsman**