

The complaint

Mr S has complained about the fact that Wakam's system didn't update the salvage category of his vehicle quickly enough when it was changed from category B to category N. And that Wakam's failure to be clear that this was due to a delay with its system updating, as opposed to a problem with the DVLA database updating, led to him being without insurance for around two weeks. Mr S has said this meant he couldn't work in this period, as he needed his vehicle to do this. And that it meant he incurred other consequential losses as well.

Wakam is the underwriter (insurer) of this policy. Much of this complaint concerns the actions of its appointed agent. As Wakam accepts it is accountable for the actions of its agent, in my decision, any reference to Wakam should be interpreted as also covering the actions of its appointed agent.

What happened

The background to this complaint is well known to Wakam and Mr S. In my decision I'll focus mainly on giving the reasons for reaching the outcome that I have.

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 broadly agree with the conclusions reached by the investigator for these reasons:

- Wakam receives information from external data sources, which meant that the information regarding the salvage category of Mr S's car did not update as quickly as it did on the MIAFTA and DVLA databases. This led to Wakam giving Mr S the impression it was still showing as category B on the DVLA database when it was showing as category N.
- Because Wakam wasn't clear on the fact its data sources might not update as quickly as DVLA's database I consider it left Mr S thinking he wouldn't be able to get insurance elsewhere for his car. So, he didn't attempt to do this until 15 April 2023. And instead continued corresponding with Wakam and turned down work, which he couldn't take without being able to drive his vehicle. This was entirely understandable bearing in mind what Wakam had told him.
- I consider Mr S did everything he could to show Wakam that the salvage category on his vehicle had been updated. And it was the inflexibility of Wakam's system and the unacceptable consequences of this, that led to the problems Mr S experienced.
- The period I consider Mr S was unable to drive his vehicle due to the poor service provided by Wakam was 1 to 15 April 2023. Mr S's new policy started on 15 April, but I have allowed a day for him to collect his vehicle and get prepared to start taking on work and using it normally for social, domestic and pleasure purposes.
- I'm satisfied that because of the nature of his work Mr S couldn't work without his vehicle. And I consider it fair and reasonable for him to be compensated for the financial

loss he experienced in the period 1 to 15 April 2023 as a result of not being able to work in this period. I agree with the investigator's calculation of £1,860.06 for this.

- Because Mr S couldn't drive his vehicle or leave it parked on the street due to having no insurance, Mr S understandably arranged for it to be towed to a storage location and stored there until he insured it again. He incurred charges as a result of this, which I consider it is fair and reasonable for Wakam to reimburse. However, Mr S's car was insured from 15 April and he could have collected it on this day. This means he incurred two extra days storage at £20 per day, because he chose to collect it on 17 April. Therefore I consider it is fair for £40 to be deducted from what Mr S paid for storage to reflect this.
- I'm satisfied Mr S's decision to take taxis to get to some engagements was reasonable and he should be reimbursed what he paid for these in the period between 1 and 15 April 2023. I think Wakam should also cover the cost of the taxi he took on 17 April 2023, as this was to go to the storage location to collect his vehicle. And whether he did this on 15 April or later it was only necessary because of Wakam's failings. The deduction for the fuel Mr S saved as a result of using taxis should not include the taxi journey to collect his car, as he would never have had to drive to this location if it were not for Wakam's failings. This means the cost of taxis was £313 and £12.62 needs to be deducted for the fuel saving to Mr S. Meaning he should receive £300.38 for taxi fares.
- Because of Wakam's failure to explain how its data source worked Mr S suffered a great deal of distress and inconvenience, as a result of his frustration in trying to sort the issue out and because he couldn't work. He also had to miss family engagements. This affected his mental health and exacerbated other health issues Mr S was already suffering from. And I agree with the investigator that Wakam should pay Mr S £150 to compensate him for this.
- I have decided to award interest on the amounts due to Mr S from 15 April 2023 to compensate him for being without funds he should have had. I appreciate he was without some of the funds for longer than this, but the difference this makes is not significant and using a set date makes the calculations more straightforward and easier for both parties to understand. So, I am satisfied it is fair and reasonable to use this date.

Putting things right

For the reasons set out above, I've decided to uphold Mr S's complaint and make Wakam do the following:

- Pay Mr S £500 to cover the recovery and storage costs he incurred.
- Pay Mr S £300.38 to cover the taxi fares in the period he couldn't drive his vehicle and to cover the taxi he got to go and collect it, less what he would have paid for fuel if he had been able to drive his vehicle.
- Pay Mr S £1,860.06 for loss of earnings.
- Pay interest at 8% per annum simple on all these amounts from 15 April 2023 to the date of payment*.
- Pay Mr S £150 in compensation for distress and inconvenience. Wakam must pay this compensation within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple*.

*Wakam must tell Mr S if it has made a deduction for income tax. And, if it has, how much it's taken off. It must also provide a tax deduction certificate for Mr S if asked to do so. This

will allow Mr S to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

My final decision

I uphold Mr S's complaint and order Wakam to do what I have set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 April 2024.

Robert Short
Ombudsman