

The complaint

Mr and Mrs B complain about the handling of their motor insurance claim by Premier Underwriting Ltd ("Premier") following an accident.

What happened

In April 2023, Mr B was involved in an accident. Mr and Mrs B contacted their insurer to try and get the necessary repairs carried out to their vehicle, and asked for a courtesy car in the meantime.

Although initially the claims department got in touch to ask for photos of the damage and a statement of what happened, Mr and Mrs B say the claim did not progress for some weeks. They said that when they tried to call the claims department, the team was unreachable.

Eventually, the vehicle was repaired, but Mr and Mrs B never received a courtesy car during the time their car was in the garage. This was despite Mr and Mrs B telling Premier they needed one urgently to transport their children, particularly as school holidays were approaching and they needed to take the family to various places.

Mr and Mrs B complained to Premier. It didn't provide them with a final response, so they referred their complaint to this service. Premier told us it had no record of the complaint and therefore hadn't been able to informally resolve matters or provide Mr and Mrs B with a final response.

Our investigator considered what had happened and didn't think Premier had treated Mr and Mrs B fairly. She recommended it pay Mr and Mrs B for the time they'd been without a courtesy car, and also for the distress and inconvenience caused by the poor handling of the claim and the delay in getting their car repaired.

Premier didn't agree with our investigator. It said that under the terms of the policy, a courtesy car would only have been available if the repair had been carried out by the insurer's approved repairer.

Because Premier disagreed, the complaint was passed to me to decide.

I considered all the information provided by both parties and issued a provisional decision as follows:

"I can see that the provision of a courtesy car was something which was of particular importance to Mr and Mrs B. They've explained that they needed a car at all times for transporting their children, and to be without one for longer than necessary would cause them a great deal of difficulty.

I can see that they also made this clear to Premier, in their email of 3 May in which Mr B said he needed the courtesy car urgently in order to travel with the children. On 11 May, Mrs B sent another email, saying they had been waiting three weeks with "radio silence", and that any time she had tried to phone Premier she'd been "kept on hold for hours on end till the

call rung off". She explained in this email that they had children who needed to be taken to school and to activities – and that she also needed to drive on the motorway before the end of the week.

On 24 May, Mr and Mrs B received an email from Premier stating that the engineers had now authorised the repairs, and asking Mr and Mrs B to get in touch with their "chosen body shop to book in for repairs to start".

On May 25, Mr B responded to Premier saying he had found a garage to carry out the repairs and that it was an insurer "approved garage". He gave the name and address of the garage and asked for confirmation that this was acceptable. I haven't been provided with a response to Mr B's email from either party. However, I can see Mr B was responding to an email address from which he had received an email previously from the claims team. So on balance, I think it's likely Premier received Mr B's email but did not reply to it.

I think this shows that the level of service Premier provided to Mr and Mrs B could have and should have been better. It would have been helpful for the claims team to let Mr and Mrs B know, (by replying to their emails or their phone calls), whether a courtesy car would be available for them or not, and the conditions for one to be provided under the terms of their policy. But I think Premier's failure to let Mr B know whether his chosen garage was an approved repairer, caused delays and confusion, because as far as Mr B was aware from his email of 25 May, the garage he had found was indeed an approved garage.

Mrs B phoned the claims team on 31 May, again asking for a courtesy car. She was told this was dependent on availability, and I can see that she was advised that she would need to get the car to one of their approved repairers in order to be eligible for a courtesy car. But at no point did the claims team respond to Mr and Mrs B's repeated requests for confirmation of whether their chosen garage was an approved repairer, or confirmation of which garages were approved repairers. And I think it's clear that they required their vehicle or a replacement urgently, so had no choice but to proceed with repairs at their chosen garage, in the absence of more helpful information from Premier.

Premier says the terms of the policy state:

"You will be provided with use of a standard courtesy car while your car is undergoing repair, subject to the repair being carried out by your insurer-approved repairer."

However, on numerous occasions, Premier had the opportunity to draw this term of the policy to Mr and Mrs B's attention and to assist Mr and Mrs B in either confirming whether their chosen garage was an approved repairer or to assist Mr and Mrs B in finding an approved repairer near them. It failed to do this clearly and consistently, despite knowing how important a temporary replacement vehicle was to them.

It follows that I don't think Premier's refusal to provide a courtesy car on the basis of the policy terms was fair. I say this because I'm satisfied from the evidence I've seen, that had Premier provided better service and given clear and consistent information, Mr and Mrs B would have used an authorised garage to carry out the repairs, following confirmation from Premier about which garages were approved. I think that the lack of communication and responsiveness from Premier meant Mr and Mrs B had to take matters into their own hands and get the car repaired as quickly as possible. And they lost out on the possibility of obtaining a courtesy car as a result, which caused them difficulty and financial loss.

I consider the provision of a courtesy car to have been extremely important to Mr and Mrs B, and as they asked for one both over the phone and by email on a number of occasions, it's not clear why they weren't advised of repairers they could use, which would've allowed them

to make arrangements that would have likely led to them being given a courtesy car and preventing unnecessary inconvenience.

I've asked Mrs B about the financial losses incurred during the time they were without a vehicle. She told me she tried to keep all travel costs to a minimum during this time but there were occasions she needed to pay for bus and train fare for her and her children to go to school and other places. I've calculated her losses to be in the region of £150 during the time they were without their vehicle and without a courtesy car. So I'm minded to ask Premier to cover these losses.

Premier has also accepted that there were periods of time when no progress was being made with the claim, such as throughout most of May 2023 when Mr and Mrs B were repeatedly trying to get in touch with Premier and many of their emails and phone calls went unanswered. As well as this lack of communication, there was a delay in sending the estimate to engineers for authorisation and I can't see a reason for this delay.

As a result, I think Mr and Mrs B have suffered distress and inconvenience for which they should be compensated. I consider a fair and reasonable amount in the circumstances, given the amount of stress they experienced and the length of time they were inconvenienced, to be £150."

Mrs B responded to my provisional decision saying she accepted what I'd said. Premier also responded saying it accepted my provisional decision, but made the following comments:

- In my provisional decision I said the provision of a courtesy car was important to Mr and Mrs B. However, they didn't take out any additional products that would've guaranteed a replacement vehicle in various circumstances.
- If the provision of a courtesy vehicle was important to Mr and Mrs B, then it would've been the first thing they checked in their policy, rather than Premier having to direct them to the relevant wording.
- Mr and Mrs B would've had to pay for fuel if they had a courtesy car, so it wouldn't have been cost-free.

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.

Premier's comments in response to my provisional decision are fair and I agree that a courtesy car wouldn't have been without running costs. I'd like to reassure Premier that I took this into account when looking at Mr and Mrs B's likely financial losses. This included train and bus fare, which would've been subsidised for their children due to their ages (so I included discounted fares for the children in my calculations).

The total financial loss I estimated for school runs, taking the children to activities at the weekends, and the various places Mr and Mrs B visited with their family during the half term break, came to more than the £150 I awarded. But I also deducted the likely cost of fuel they would've had to buy for the same journeys with a courtesy car. And I've included in this figure the interest that would be payable under my decision at 8% simple per annum from the date Mr and Mrs B incurred the financial losses until the likely date of settlement. So I still think £150 for loss of use is a fair amount.

I accept Premier's comments that Mr and Mrs B could've purchased a policy or optional

extras which gave them a better chance of securing a courtesy car in the event of an accident. However, I don't have enough information about how they bought their policy, or how the information was presented to them at the time, to be able to make a fair comment on this point. In any event, once Premier became aware of the difficulties Mr and Mrs B were facing, I think it could've provided better customer service to try to alleviate those difficulties.

I agree that it wasn't Premier's sole responsibility to direct Mr and Mrs B to the relevant wording of the policy, but I still consider it unreasonable that Premier did not at any point assist Mr and Mrs B with their enquiries into the provision of a courtesy car once it was made clear to Premier that this was causing Mr and Mrs B stress, nor did it confirm which garages were approved repairers.

So, for the reasons I've given, I'm going to require Premier to compensate Mr and Mrs B for the distress and inconvenience caused by the delays in the claim journey, and for the loss of use of a courtesy vehicle. As per my provisional decision, I still think £150 fairly reflects the difficulties caused, and a further £150 compensates Mr and Mrs B for the likely financial losses they incurred.

Putting things right

Premier Underwriting Ltd must now pay Mr and Mrs B:

- £150 for distress and inconvenience, and
- £150 for financial loss.

My final decision

My final decision is that I uphold this complaint and I direct Premier Underwriting Ltd to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 25 May 2024.

Ifrah Malik
Ombudsman