

## **The complaint**

Mr M complains that Nelson Insurance Company Limited mishandled his claim on a commercial vehicle insurance policy.

## **What happened**

The subject matter of the claim and the complaint is a multi-purpose vehicle made by a premium-brand car maker and first registered in 2018.

Mr M used the car as a private hire vehicle.

For the year from late September 2022, Mr M insured the vehicle on a comprehensive policy with Nelson. Mr M also had legal expenses insurance, but that wasn't with Nelson.

Unfortunately, in early December 2022, Mr M reported that an accident had damaged the car. Nelson arranged repair. Much of the complaint is about acts or omissions on behalf of Nelson by claims-handlers or by the repairer. Insofar as I hold Nelson responsible for them, I may refer to them as acts or omissions of Nelson.

By an email dated 18 January 2023, Mr M complained to Nelson. He said that the legal expenses insurer had supplied him with a hire car but only from 15 December 2022 to 4 January 2023. He said that the repairer hadn't repaired the car by 18 January 2023 as promised because it had ordered the wrong part. He said he would have to hire a vehicle.

After Mr M's complaint in January 2023, Nelson didn't send a final response within eight weeks.

Mr M brought his complaint to us in late March 2023. He included that Nelson should compensate him for car hire charges.

Nelson didn't respond to our request for information.

Mr M made a further complaint to Nelson about the quality of repair. He says the car went to another repairer for rectification work between 17 October 2023 and 21 October 2023.

In late October 2023, Mr M asked us to investigate his complaint.

Nelson wrote a form of final response dated late November 2023. Nelson apologised that the repairs hadn't been completed to the high standard it expects. It said that the other repairer had rectified the repairs, during which period Mr M had another vehicle insured with it.

The final response said that the legal expenses cover entitled Mr M to a replacement vehicle for 21 days for a fault accident. Nelson said that it wasn't liable for costs incurred for the rental vehicle. Nelson offered £500.00 as a goodwill gesture for the stress and inconvenience caused by the delay.

In mid-January 2024, Mr M provided us with details of car rental for the period 19 January 2023 to 20 March 2023.

*our investigator's opinion*

Our investigator recommended that the complaint should be upheld in part. He thought that Nelson should refund the hire charges. He recommended that Nelson should:

1. refund Mr M for his hire charges, subject to invoices, proof of payment being provided; and
2. add 8% simple interest from the date each invoice was paid; and
3. pay £250.00 for distress and inconvenience.

*my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr M and to Nelson on 29 April 2024. I summarise my findings:

I would find it fair and reasonable to direct Nelson to reimburse any reasonable hire charges for the period from 19 January 2023 until Mr M got his own car back in late March 2023.

Mr M had shown us an agreement for the hire of a similar vehicle for the period 19 January 2023 to 20 March 2023 at a cost of £950.00 per week.

Unfortunately, I couldn't see that we have told Nelson this cost. And Nelson may have something to say about it. However, I was minded to find it fair and reasonable to direct Nelson to reimburse Mr M each of those payments.

As he will have been out of pocket since he made each payment, I was minded to direct Nelson to pay Mr M interest at our usual rate.

In addition to the hire costs, I was minded to find it fair and reasonable to direct Nelson to pay Mr M £250.00 for distress and inconvenience.

Subject to any further information either from Mr M or from Nelson, my provisional decision was that I upheld this complaint in part. I intended to direct Nelson Insurance Company Limited to:

1. reimburse Mr M for each of his eight payments of £950.00 for car hire, a total of £7,600.00; and
2. pay Mr M simple interest at a yearly rate of 8% on each such payment from the date of his payment to the date of its reimbursement. If Nelson considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr M how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
3. pay Mr M £250.00 for distress and inconvenience.

Neither Mr M nor Nelson has responded to the provisional decision. So I see no reason to change my view.

## **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.

The accident and the need to make a claim were, in my view, bound to cause Mr M some distress and inconvenience.

I accept that the legal expenses policy provided a replacement vehicle for up to a maximum number of 21 days. I also accept that the necessary parts were on back order with no estimated date of arrival.

Nevertheless, Mr M relied on having a vehicle to earn money to support his family. And by 18 January 2023, he'd already been without the use of his own vehicle since early December 2022 and without the vehicle from the legal expenses insurer since early January 2023.

By 18 January 2023, Nelson had gone from saying that parts were expected in mid-January 2023 to saying that it didn't know when the correct parts would arrive. So I consider that the time taken had started to become unreasonable.

I would expect Nelson to assist Mr M by providing a suitable hire vehicle or proposing an alternative fair and reasonable option. I'm not satisfied that Nelson did enough by contacting its salvage agent about a temporary supply of second-hand parts.

So I would find it fair and reasonable to direct Nelson to reimburse any reasonable hire charges for the period from 19 January until Mr M got his own car back in late March 2023.

Mr M has shown us an agreement for the hire of a similar vehicle for the period 19 January 2023 to 20 March 2023 at a cost of £950.00 per week. He has also shown us bank statements recording payments of £950.00 to the owner of the car hire business on each of the following dates:

20 January 2023

27 January 2023

3 February 2023

10 February 2023

17 February 2023

24 February 2023

3 March 2023

10 March 2023

I find it fair and reasonable to direct Nelson to reimburse Mr M each of those payments. As he will have been out of pocket since he made each payment, I will direct Nelson to pay Mr M interest at our usual rate.

Nelson has accepted that its repairer didn't do the repair to the standard it would expect.

Mr M has said that the headlight wasn't a genuine or original part. In late December 2023, his words were as follows:

*"The parts fitted (headlight) wasn't new, this was confirmed by independent garage after I took a car to rectify all repair errors. It's got an unusual for a new part marks. It was filed with pictures provided to [claims] and this part is being stored by me"*

From that I find it likely that Nelson replaced the headlight but, as part of the rectification work, the second repairer removed it and replaced it again, while Mr M stored Nelson's replacement headlight.

In any event, I accept that Mr M suffered disappointment at the overall quality of the repair from late March 2023 until he got the rectification work done in October 2023.

That came on top of the delay and shortcomings in communication earlier in the year. That had caused Mr M to have to chase for progress and updates. I accept that this made him feel ignored. It had also led him to feel that he'd lost an opportunity to buy a replacement bumper himself and get the repair completed much sooner.

### **Putting things right**

So, in addition to the hire costs and interest, I find it fair and reasonable to direct Nelson to pay Mr M £250.00 for distress and inconvenience.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Nelson Insurance Company Limited to:

1. reimburse Mr M for each of his eight payments of £950.00 for car hire, a total of £7,600.00; and
2. pay Mr M simple interest at a yearly rate of 8% on each such payment from the date of his payment to the date of its reimbursement. If Nelson considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr M how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
3. pay Mr M £250.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 June 2024.

Christopher Gilbert

**Ombudsman**