

The complaint

Mr B complains about delays, poor quality repairs, poor communication, and a voided warranty following a claim U K Insurance Limited (UKI) dealt with under his motor insurance policy.

What happened

Mr B's car was involved in an accident in late 2022. UKI arranged for the repairs. His car was taken to its approved repairer in November. It stayed there until it was returned to him in April 2023. Mr B says the repairs weren't completed and were of a poor standard. His car was then returned to UKI's garage in July to complete the remedial repairs.

Mr B says the main dealer completed some repairs to the climate control system at the end of August. This is because UKI's repairer couldn't do all the work needed. He says he doesn't know what UKI's garage did with his car prior to it going to the main dealer. As none of the problems he raised were resolved.

Mr B says his car was finally returned to him on 18 September 2023. But UKI's garage hadn't done the work it was supposed to. He says the steering still isn't straight, there's an area of overspray of white paint, the passenger door catches on closing, a new alloy wheel has been scuffed, there are areas of chipped paint, and a new scratch on the front offside wheel arch.

Mr B says he couldn't arrange a service whilst his car was at UKI's garage, as he wasn't told it was being taken there. As a result of this he says the manufacturer informed him his warranty was no longer fully intact. In addition, Mr B had difficulty logging a claim for damage to the courtesy car he was given. Due to poor communication, he then received a letter from UKI telling him he'd be liable for the cost of the repairs.

In its final complaint response UKI says it cleaned Mr B's car whilst it was onsite between July and August 2023. It says it needed to go to the main dealer for some work. But as there were no updates to give, its repairer didn't need to contact him until his car was ready to return.

UKI says the initial delay in repairing Mr B's car was due to parts being on back order. It says this was beyond its repairer's control and was due to issues affecting the industry as a whole. However, it says it did take over a month to assess and retrieve Mr B's car for the remedial repairs, after it was returned to him in April 2023.

In its response UKI says its sorry Mr B's car had to be returned several times due to unsatisfactory work. It says it carries out quality checks to ensure a vehicle is safe before returning it to its customer. UKI apologised and says it provided feedback to its repairer.

UKI told Mr B he can obtain an estimate from a garage of his choice to complete the remaining repairs. An engineer will then be able to assess and authorise the work. With respect to the warranty issue UKI says the manufacturer doesn't say Mr B's warranty is void. It says if he has any issues with this in the future it can provide a statement to confirm

why there was a delay in a service being completed.

UKI says its sorry it didn't inform Mr B that the claim he'd made for the damage to his courtesy car had to be registered over the phone. This resulted in it writing to him at the end of September 2023 telling him he'd be liable for the repair costs if he didn't register a claim. It acknowledges Mr B had difficulty logging this claim and it failed to do this on his behalf when it said it would. Because of the claim handling errors, the delays, and the stress it had caused, UKI offered Mr B £500 compensation.

Mr B didn't think UKI had treated him fairly and so he referred the matter to our service. Our investigator didn't uphold his complaint. She agreed that UKI had provided an unsatisfactory service. But she thought its offer of £500 compensation and to allow Mr B to appoint a garage of his choice for the remaining repairs was reasonable. She didn't think he'd shown that he wouldn't be able to claim under his manufacturer's warranty if he needed to. So, she didn't think UKI needed to do anything more.

Mr B disagreed. He says he can't find another garage willing to complete the work needed on his car. He says that as well as the delayed service impacting his warranty it has also affected the value of his car. Because he disagreed he asked for an ombudsman to consider his complaint.

It has been passed to me to decide.

I issued a provisional decision in May 2024 explaining that I was intending to uphold Mr Bs complaint. Here's what I said:

provisional findings

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 my intention is to uphold Mr B's complaint. Let me explain.

In the event of a claim for accident damage we expect UKI to arrange effective and long-lasting repairs. I've considered whether it did so in Mr B's case.

I've read the claim records supplied by UKI. This provides limited information about the action taken by the repairer. I asked if UKI it could provide more detailed records. I also asked it to provide the report from the assessment on 9 July 2023. In addition, I asked it to respond to Mr B's comments that when his car was returned to him in September none of the issues he'd raised had been fixed. This is apart from the climate control repair the main dealer had worked on.

In reply UKI says Mr B's car was brought back due to issues with the climate control. No computer faults were found, so the air conditioning unit was drained and refilled to check for leaks. It says this took around a week. No leaks were found. An electrician carried out a 'scan' but found no faults. This is when contact was made with the main dealer for it to assess the problem.

UKI says there was a mould issue on the car's seats which also took a couple of days to resolve. The business says Mr B wanted an electric car whilst his was with the garage. It says this had to be leased, which meant Mr B's car wasn't returned in-between referring it to the main dealer – in case UKI couldn't get the lease vehicle back again.

No further information was provided by UKI in response to my request.

From the records there was a delay in UKI's garage repairing Mr B's car due to a backlog in the availability of spare parts. I can see from the contact notes that he was told this was due to wider issues affected the industry, and it wasn't something UKI's repairer could influence.

There has been disruption to the global supply of motor parts. For various reasons. This has had a significant impact on the availability of the components needed to effect repairs, resulting in delays. It's clear this played a part in the delays Mr B experienced. But given the length of the delays I think UKI could reasonably have considered other options. Such as using re-conditioned parts. I can't tell from the records if any alternative options were considered.

At a minimum I'd expect UKI to keep Mr B regularly updated. I don't accept its reason for not doing this. More specifically, that there was no update to give. Given the long delays experienced - regular contact should've been maintained. This would provide some reassurance that the matter was still in-hand. I can understand why Mr B was frustrated by the lack of communication.

UKI hasn't provided the engineer report, or information regarding the ongoing damage and issues with Mr B's car. But it doesn't dispute that there were issues with the work its repairer carried out. As discussed we expect UKI to arrange effective and lasting repairs. It hasn't done that here. The full repairs necessary on Mr B's car have dragged on for more than a year. I can understand why Mr B has no confidence in UKI's ability to arrange the necessary repairs effectively. Because of this it's fair that he's given the option of appointing his choice of garage. UKI can then approve an estimate for the work that's needed. I note Mr B says he's found it difficult to find a garage that will do the work. If that remains the case it's reasonable that UKI arranges another repairer from its network to complete the repairs.

I've thought about Mr B's concerns that his warranty has been impacted because he was unable to service his car. Mr B says UKI's repairer told him a service could be arranged as the car needed to go to the main dealer for work anyway. But due to ongoing poor communication he says the opportunity to service his car on time was missed.

The records provided by UKI don't include reference to this point. However, the records don't include the repairer's telephone notes. I asked for this information, but it wasn't provided. I've no reason to disbelieve Mr B's recollection of what was discussed. I can understand that he was anxious to avoid any potential issues with his warranty. I think poor communication from UKI's repairer played a large part in Mr B not having his car serviced on time.

Mr B says he's been told the late service could mean future warranty repairs aren't covered. He was told this will need to be considered on a "case by case basis". However, I haven't seen information showing Mr B's warranty has been impacted. He hasn't incurred a loss in relation to this point. So, although I can understand his frustration and concern – there is no loss for UKI to put right here. If this becomes an issue at some point in the future Mr B can contact UKI. It's offered to support any warranty claim with an explanation of the repairs that caused a delay in the servicing of his car. I think this is reasonable. If he needs to Mr B can of course raise a complaint with UKI on this point if this becomes an issue.

I asked Mr B whether the courtesy car damage was something he intended including in his referral to our service. He responded to say this is a small side issue. And that he's much more concerned about his car and the ongoing repairs. Given his comments I haven't considered this point further.

I acknowledge Mr B's comments that his car has been devalued as a result of UKI's poor repairs. He says the main dealer has valued his car at £3,500 less than if it was in good

condition. However, I haven't seen evidence to support what he says. It's also the case that UKI is still expected to complete the repairs in full and to a good standard. Once done, this shouldn't mean Mr B's car has suffered a drop in value.

Having considered all of this, I don't think UKI treated Mr B fairly. Communication was poor throughout his claim. This has caused frustration and distress, as well as contributing to the warranty issue. It's not fair that Mr B had to return his car more than once for missed and defective repairs. His car is still not repaired, and he remains particularly concerned about a steering fault. In these circumstances I think it's fair that Mr B is able to appoint his own garage. He can provide an estimate for UKI to approve. Alternatively, UKI should appointed a different repairer from its network and arrange for the repairs to be completed. I've thought about the impact all of this had on Mr B. Given the long delays, the failed repairs, the poor communication and worry due to his warranty, I think a higher compensation payment is due. I think £650 is fair.

I said I was intending to uphold this complaint and UKI should:

- consider reasonable estimates Mr B provides from his choice of garage and pay for the outstanding repairs; or
- at Mr B's request appoint an alternative garage and arrange for the outstanding repairs; and
- pay Mr B £650 for the distress and inconvenience it caused him.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Mr B responded to say he's found it difficult to find a garage that will carry out the repairs. He says UKI will have the same issue. He says the delays were due to a backlog in ordering spare parts, but also due to ordering errors.

Mr B says £650 compensation doesn't adequately address the inconvenience he's been caused.

UKI responded to query if it's being asked to pay an additional £150 or an additional £650 in compensation.

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've not seen reason to change my findings.

I note what Mr B says about finding a garage that is willing and able to repair the damage to his car. I'm satisfied that by giving him the option of appointing a repairer or instructing UKI to do this for him, will ensure the car is repaired.

I can understand that this has been a frustrating experience for Mr B. My intention isn't to downplay the inconvenience and upset this has caused. But whilst I've considered his further comments I'm satisfied a total of £650 is appropriate compensation in these circumstances.

In response to UKI's comment - in my provisional decision I said compensation was warranted, but a higher payment than UKI had offered was due. For clarity this means a total of £650 in compensation. Not £500 plus £650 as I think UKI was referring to in its response.

My final decision

My final decision is that I uphold this complaint. U K Insurance Limited should:

- consider reasonable estimates Mr B provides from his choice of garage and pay for the outstanding repairs; or
- at Mr B's request appoint an alternative garage and arrange for the outstanding repairs; and
- pay Mr B £650 for the distress and inconvenience it caused him.

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

Mike Waldron
Ombudsman