

The complaint

Mr D has complained that Wakam took too long to repair his car, which he used as a taxi, after he made a claim for damage to it under his taxi insurance policy.

Any reference to Wakam includes its agents.

What happened

Mr D's car was damaged in an accident. He made a claim for the damage and Wakam arranged for it to go to one of its approved repairers. This didn't happen immediately, as the car was still drivable. Wakam was also meant to arrange a replacement car for Mr D for a period of two weeks while his car was in for repair.

Mr D's car went in for repair on 20 September 2023. Wakam couldn't find a suitable replacement car, so it offered to pay Mr D £40 per day for this instead. Mr D was expecting his car back after a couple of weeks, but he didn't actually get it back repaired until 21 December 2023. According to Wakam's approved repairer this was due to delays on parts. And Mr D couldn't get it back on the road until 2 January 2024, as he needed to get it MOT'd before doing so.

Mr D was able to hire a replacement taxi for the majority of the period he was without his car. But he couldn't do so between 10 and 18 December 2023, as the company he worked for didn't have any available in this period. He paid a total of £4,960 for hire.

Mr D complained to Wakam. As Wakam didn't formally respond to his complaint, he asked us to consider it. When doing so Mr D explained that he'd had to pay out to hire the replacement car, while still paying for his one on finance and that he'd lost income for a period when he couldn't get a hire taxi. He also explained how stressful the whole affair had been for him.

One of our investigators considered Mr D's complaint. She said that Wakam should reimburse what Mr D had paid in hire costs and pay him £40 per day for the period of two weeks in which it was meant to provide him with a replacement taxi but didn't.

Wakam didn't respond to the investigator's view and so the case was passed to me for a decision.

I reviewed the complaint and asked Mr D to clarify some things. Then I sent the following email to Wakam on 19 June 2024.

I think it is fair to say Mr D's car should have been repaired within the two week window covered by the replacement vehicle cover, which I have assumed was also provided by Wakam. In actual fact his car was in for repair much longer than this, i.e. 20 September to 21/22 December 2023. This meant Mr D incurred additional hire costs, as he had to hire a car to continue working as a taxi driver. He has also told us this car cost him more for fuel than his own one. So he paid £8 extra each day he worked because of this. He has also explained that he lost this vehicle on 10 December 2023 and couldn't get another one until

19 December. This wasn't his fault, as there were simply no hire taxis available from the company he worked for. This left him with no income for a period of nine days.

As this all resulted from the delay caused by Wakam's repairer, I think Wakam should pay Mr D the following as the fair and reasonable outcome to his complaint, as Wakam has not provided a satisfactory explanation as to why Mr D's car couldn't have been repaired within two weeks. The delay on parts seems to have been due to poor investigation, preparation and planning by the approved repairer.

Nine days loss of income, less the saving he made on fuel due to not working between 10 and 18 December 2023. Mr D has provided evidence, which I have attached, and which shows he normally earned around £120 per day as a taxi driver. And he's told us his fuel cost was normally about £20 per day. This means he lost £100 per day net in this period. And I think Wakam needs to pay Mr D £900 in compensation for this financial loss, plus interest at 8% per annum simple from 18 December 2023 to the date of payment to compensate him for being without these funds.

Mr D incurred hire costs of £4,560 between 20 September 2023, when he dropped his vehicle off for repair, to 2 or 3 January 2024 when he had it back and had managed to get it MOT'd. I've attached a copy of this evidence. This included the period when he should have had a replacement vehicle from Wakam's provider, but it didn't provide one. So, I think Wakam should cover this whole cost, subject to Mr D providing proof he paid it, plus interest at 8% per annum simple from when he did pay it to the date of payment.

In the period he hired this vehicle Mr D has told us he was paying around £8 per day extra in fuel costs. I don't think Wakam needs to cover this for the first two weeks, as Mr D would always have had a hire car in this period and there was no guarantee its fuel costs would have been the same as his own car. But I do think it is fair for Wakam to cover this cost for the period, which I estimate to have been 60 days of work for Mr D, allowing for one day a week off. This means I think Wakam need to pay Mr D an additional £480 to cover his additional fuel costs. It should pay interest on this amount at 8% per annum simple from 2 January 2024 to when it pays it, as this is when he was able to start using his own car again. I know he will have paid out the extra amounts over a period starting in October 2024, but bearing in mind the amount involved, I consider it fair to award interest from this time.

I also think this whole episode caused Mr D a great deal of distress and inconvenience. And I think Wakam needs to pay Mr D £300 in recognition of this.

I then sent a follow up email to say I should have said the hire costs Wakam needed to pay were £4,960 and not £4,560. I got our investigator to send a copy of this email to Mr D and I gave both him and Wakam until 26 June 2024 to provide further comments and evidence in response to it.

Mr D has responded to say he has nothing further to add. Wakam has not responded.

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.

As Mr D has nothing further to add and Wakam hasn't responded to it, I see no reason to depart from the outcome I set out in my recent email.

Putting things right

For the reasons set out in my email of 19 June 2024 to Wakam, as set out above, I've decided to uphold Mr W's complaint and make Wakam do the following:

- Pay Mr D £900 in compensation for his loss of income, plus interest at 8% per annum simple from 18 December 2023 to the date of payment.*
- Pay Mr D £4,960 to cover hire costs as set out above, subject to him providing proof he paid these. Plus interest on this amount at 8% per annum simple from the date Mr D paid them to the date of payment.*
- Pay Mr D £480 to cover additional fuel costs, plus interest on this amount at 8% per annum simple from 2 January 2024 to the date of payment.*
- Pay Mr D £300 in compensation for distress and inconvenience. Wakam must pay this compensation within 28 days of the date on which we tell it Mr D 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 D 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 D if asked to do so. This will allow Mr D to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

My final decision

I uphold Mr D's complaint about Wakam and order it to do what I've set out above in the 'Putting things right' section.

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

Robert Short
Ombudsman