

The complaint

Miss O complains about the way U K Insurance Limited trading as Privilege (“UKI”) handled a claim she made on her car insurance policy.

What happened

In December 2023 the rear end of Miss O’s car was damaged by vandals. She made a claim on her UKI insurance policy, which it accepted.

UKI returned the vehicle to Miss O at the end of January 2024. However, she complained about the state the car had been returned in. She raised a number of issues including there being 1 broken glass in the vehicle and mould present on the interior roof headliner. She later complained that the colour of the bumper didn’t match with the car.

UKI looked at the car again, and over the months that followed, it issued three complaint final response letters (FRLs) to Miss O, in February, March and May 2024. In each FRL UKI accepted some issues had been caused by it. In its May 2024 FRL, it accepted there was an issue with colour matching the bumper, which it agreed to rectify. It also said it would replace the stained headliner; it thought its attempts to clean it may have made the appearance worse. It said someone would be in contact that day to arrange repairs, including a permanent repair to a leak.

Across the three FRLs, UKI paid a total of £500 compensation to say sorry for the mistakes it had made and the impact of those.

Unsatisfied with UKI’s response, Miss O brought her complaint to the Financial Ombudsman Service for an independent review. She said given the issues she’d faced with UKI and the months the matter had gone on for, she thought £1,500 a more appropriate amount of compensation. She said she’d made numerous calls over the five months it took to resolve matters, and the car had to be returned to UKI four times. Whilst she was provided with courtesy cars during this time, she said she had four different ones and the strain of the claim and arranging repairs had caused a significant impact to her emotional wellbeing.

Our Investigator noted UKI hadn’t handled matters as well as it should have done. But he ultimately felt that its offer of £500 was in line with our approach to distress and inconvenience awards made on similar cases, so he didn’t recommend UKI pay any more compensation.

Miss O didn’t accept the outcome of the Investigator. She asked for an Ombudsman to review matters. So the matter has come to me to decide.

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 this is an informal Service, I’m not going to comment on every point or piece of evidence that both Miss O and UKI provided. Instead, I’ve focussed on those I think are key to the outcome I’ve reached. But I’d like to reassure both parties that I’ve read and considered everything that has been provided.

I'm not going to repeat all of the issues Miss O faced, as UKI accepts that it didn't handle the claim as well as it should have done. It's clear to me that Miss O's car was returned to her in an unacceptable condition. She shouldn't have had to continually raise issue with UKI in order to have matters resolved.

Miss O says it took four returns to UKI, and five months to have matters resolved. She's told this Service about the impact the claim and dealing with UKI had on her and her family. I've kept this in mind when reviewing UKI's offer of compensation.

I think it's important to make clear that I wouldn't award compensation for mistakes being made by UKI. Claim journeys aren't always smooth and sometimes issues will unfortunately happen. But where they do, we'd expect a business to take steps to put things right, and for it to recognise where it has caused distress and inconvenience over that which would generally be caused by having to make a claim.

My role is to review whether UKI needs to do more to put matters right, now that Miss O says the issues with the car are now resolved. I can see that UKI did provide her with courtesy cars when her own vehicle couldn't be used. Whilst I've no doubt it was inconvenient to use a different car, especially considering her young family, I'm satisfied that she wasn't inconvenienced even more by being without a working car for any extended period of time.

Having considered UKI's overall response, I'm satisfied that by May 2024, it had made a fair award of a total of £500 compensation. Compensation awarded of this amount is to reflect considerable distress, inconvenience and disruption where a consumer is put to a lot of extra effort to sort out, over many months.

I'm satisfied UKI has caused considerable distress, and Miss O had to continually show, over a number of months, there were issues with her car to be resolved. So I think £500 is a reasonable amount of compensation, and in line with award this Service has made on similar cases. Whilst I understand this was a very difficult time for Miss O, I'm not going to require UKI to do anymore to put matters right.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 3 October 2024.

Michelle Henderson
Ombudsman