

The complaint

Mr T complains about U K Insurance Limited ("UKI") and the service provided to him during the repair of his car, following a claim he made on his motor insurance policy.

What happened

The claim and complaint circumstances are well known to both parties, so I don't intend to list them chronologically in detail. But to summarise, Mr T held a motor insurance policy, underwritten by UKI, when his car was damaged following its theft. So, he contacted UKI to make a claim. UKI appointed a repairer, who I'll refer to as "D", to manage the claim and repairs on their behalf. As D were acting as an agent of UKI, UKI remain ultimately responsible for the actions D took, and the service they provided.

Mr T raised several complaints about the way his car was repaired initially, and the service provided around this. These complaints have been investigated separately by our service, under another complaint reference.

Following this, it was agreed that UKI would send Mr T's car to the dealer of his choice, who I'll refer to as "M", to complete any remaining rectification work, as well as any necessary follow up checks. But Mr T was unhappy with the service UKI and D provided to him. So, he raised a further complaint.

Mr T complained about the delays in the final repairs being completed, which he felt was the fault of D. And he was unhappy with D's failure to update him during this process. Mr T was also unhappy that he hadn't received the battery test results from D and that he'd received a letter stating his claim had been closed when the repairs were still ongoing. So, he wanted to be compensated for the above.

UKI responded to the complaint and upheld it in part. They accepted there had been delays caused in the repair process while the car was with M due to the way D communicated with them. And they offered Mr T a total of £300 to recognise this, and any inconvenience this caused. But they explained why they didn't think it was their responsibility to update Mr T on the repairs while the car was with M, and this included providing the battery test results. And while they acknowledged the confusion the closure letter may have caused, they thought this was sent correctly as the insurance claim itself had been closed, with the additional repairs being paid for by D in recognition of issues with the initial repairs they completed. So, UKI didn't think they needed to offer anything more for these complaint issues. Mr T remained unhappy with this response, so he asked our service to investigate his complaint.

Our investigator looked into the complaint and didn't uphold it. They accepted there had been avoidable delays during the time period they could consider, caused by D acting on UKI's behalf. But they thought the £300 compensation fairly recognised the impact this caused, considering Mr T remained in a hire car during this time. And they explained why, as M were instructed on Mr T's request and they were not an approved repairer of UKI's, our service wouldn't expect UKI or D to be responsible for providing updates to Mr T directly. So,

they didn't think UKI needed to offer anything more.

Mr T didn't agree, providing several arguments setting out why. These included, and are not limited to, his belief that the £300 didn't fairly recognise the fact these additional repairs were only required because of D's previous failings. And he maintained his belief that D should've been responsible for updates, as they instructed M to complete the work. Mr T also set out why he thought he'd been left at a financial loss, as he'd needed to pay for insurance and road tax while not being able to use his car. And, that his car had depreciated and he'd not been able to make use of its original warranty. So, he wanted these financial losses to be considered.

Our investigator considered all of Mr T's comments, but their view remained unchanged. They explained insurance and road tax are legal obligations and so, Mr T would always have needed to pay these. And they didn't think they had evidence to show the car had depreciated more than it would have due to something UKI did wrong, nor did they think they had evidence to show Mr T lost the ability to utilise the car's warranty as they didn't think there was any issue that Mr T would've needed to use the warranty for.

Mr T continued to disagree, reaffirming his belief that the £300 compensation didn't fairly recognise the fact that he was without his car for three months more than he should've been, and that this was due to his car not being repaired correctly in the first place. As Mr T didn't agree, the complaint has been passed to me for a decision.

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'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr T. I don't in any way dispute the inconvenience and frustration he's been caused by the complaint, which has followed on from previous issues he raised with UKI about the repair process, including how long this process has taken. And I appreciate Mr T took out the policy with UKI to assist him, both practically and financially, in a situation such as the one he found himself in. So, when Mr T felt UKI had delayed the repair process, and that this impacted him financially, I can understand why he'd feel unfairly treated and choose to complain.

But for me to say UKI should do something more than they have already, for example increase the £300 compensation paid to him to recognise his most recent complaint, I first need to be satisfied UKI have done something wrong, that hasn't already been adequately addressed. In this situation, I don't think that's the case and I'll explain why.

But before I do, I think it would be useful for me to set out exactly what I've been able to consider, and how.

I note Mr T has had a previous complaint dealt with by our service. This complaint dealt with all the complaint issues, and the impact of these issues, up to UKI's complaint response letter issued in November 2023. So, my decision won't be considering any of these complaints, or the impact they caused.

Instead, my decision will focus solely on the events that took place the complaint response

issued in November 2023, that were complained about and responded to in UKI's most recent complaint response. This also means that while I appreciate Mr T feels his car only needed to go to M because of errors UKI made previously, I can't consider any delays and the impact these delays had before the November complaint response. Any delays that have occurred after this time must be considered separately, in isolation to any delays that occurred before.

I've first focused on the complaint points where their merits remain in dispute. And I recognise one of Mr T's main issues centres around D's failure to update him while his car was with M, which he feels was D's responsibility to do.

But crucially, while D may have provided the instruction for the repairs and checks to M, they did so on Mr T's request. M are not an approved repairer of D's and so, they have no internal service level agreements with M regarding how a customer should be updated. And in situations such as these, where a repairer is requested by a customer and isn't approved by a business, we would expect the repairer themselves to provide a customer with relevant updates, including an estimated completion date. So, while I recognise why Mr T feels this should have been D's responsibility, I don't think I can say that's the case here.

And even if I was able to say differently, I've seen an e-mail sent from M to UKI in January 2024, which provides an update on the repairs. And within this email, M confirm that Mr T had been to their garage to look over his car on 12 January. So, I think it's reasonable for me to assume Mr T was in contact with M, and able to receive updates from M, even if he didn't want or expect this to be the case. So, I think this would've mitigated any impact to Mr T had D, and so UKI, been obligated to provide updates, which I don't think they were.

It also then follows that I would expect M to provide Mr T with the results of the battery check they performed. So, while I appreciate why Mr T feels the onus should've been on UKI to provide this, I don't think that's the case. And from the system notes I've seen, I'm satisfied a battery check was requested by UKI, and completed by M. If Mr T hasn't received the results of this check, and this is information he wants to see, Mr T will need to raise this with M directly.

I've also thought about Mr M's concerns regarding the closure letter he received from UKI, which I've seen evidence to show was received just before Christmas. And I want to acknowledge the confusion this would no doubt have caused Mr T, as his car was still with M at this point. As the car was still with M, on the instruction of UKI to address Mr T's previous concerns with the quality of the repairs, I can understand why Mr T would then be concerned about any claim closure.

But crucially, I don't think this letter was sent by UKI in error. The work M were completing around the time of the letter were rectification works being paid for by D, in recognition that the initial repairs completed were unsatisfactory. They weren't being paid for under the insurance policy Mr T held. So, when UKI sent a letter to Mr T confirming the insurance claim itself had been closed, I don't think this was incorrect, or inaccurate, as further costs weren't being incurred on the insurance claim itself. But that being said, I do think UKI could've made this clearer to Mr T and UKI's failure to do so would've caused some worry to Mr T that could have reasonably been avoided.

And following on from this, I note UKI have already accepted Ds' communication with M, and Mr T, that they are ultimately responsible for, fell below the standard that they would expect. And they accept that this lack of communication created delays in the repair process after November 2023, meaning Mr T received his car back later than he should've. As these

complaint points have been accepted by UKI, I think it's reasonable for me to assume they no longer remain in dispute. So, I won't be commenting on the merits of these complaint issues in detail. Instead, I've thought about what I think does remain in dispute, which is what UKI should do to put things right.

I note Mr T doesn't think the £300 already paid by UKI fairly recognises the above, and the impact he's been caused. And he's set out why he thinks he should be reimbursed for the road tax he paid on his car he couldn't use, alongside his insurance premiums, the fact he was unable to utilise the cars warranty and the depreciation to the car.

But I don't agree. Road tax and the cost of insurance are legal requirements that Mr T would always have needed to pay. I've seen no evidence to suggest Mr T would've declared his car as off the road and considering his complaint centres around not being able to use his car, I think Mr T would always have needed to pay his road tax. And while an insurance premium can be paid yearly, or monthly, as soon as a claim is made on this policy the entire premium is due and no refund will be provided. So, as Mr T did make a claim, he would always have needed to pay his entire policy premium. On top of this, Mr T was kept mobile with a hire car for the duration of the repairs, and this was paid for through his insurance policy. So, considering this and the fact his repairs were also paid for, I think he received a benefit from the policy which substantiates the premium he paid for this cover.

And I've seen no evidence to suggest that had Mr T had his car back sooner, there would have been an issue with the car he would've need to utilise his warranty for. Nor have I seen evidence to persuade me that his car depreciated more than it would've, had it been returned to him sooner by M. So, I don't think I can say UKI should compensate him for any of the above.

Instead, I think UKI's compensation should be to fairly recognise the inconvenience and distress caused to Mr T by being without his car for longer than he should've, and that D and so UKI's communication with him and M could've been improved during this time.

Looking through the timeline of the claim the complaint response in November 2023 onwards, I do think that had D acted more proactively in their communication, they would've authorised requests from M sooner. And had they done so, I think Mr T may have received his car up to around eight weeks sooner than he ultimately did. And had UKI been clearer about the reason for their closure letter, and why this didn't impact the repair work still ongoing, I think this would've prevented Mr T the worry and anxiety this caused, and the time and effort he spent needing to chase UKI for answers about this.

As already set out, UKI have paid Mr T £300 to recognise the above, which our investigator felt was a fair payment. And having considered this myself, I think the payment is a fair one, that falls in line with our service's approach and what I would've directed, had it not already been made.

I think it fairly reflects all of the impact caused to Mr T that I've discussed above, that D and so UKI are responsible for. But I think it also reflects the fact that Mr T was kept mobile in a hire car for the period of the delays, which mitigated the impact to him. And crucially, I think it is a fair payment to recognise the delays from the period I can consider in isolation.

While I understand why Mr T feels this is unfair, this payment isn't intended to compensate him for previous delays that have already been addressed under separate complaint responses by UKI, and a separate complaint reference by our service.

So, while I do understand this isn't the outcome Mr T was hoping for, and I want to reassure him again that I have considered all the arguments he's put forward, I don't think UKI need to do anything more on this occasion.

My final decision

For the reasons outlined above, I don't uphold Mr T's complaint about U K Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 4 October 2024.

Josh Haskey
Ombudsman