

The complaint

Mr E has complained about the courtesy car he was given under his motor policy by U K Insurance Limited (UKI) when his own car was being repaired following an accident. He also complained about the length of time the repairs to his car took.

What happened

Mr E was involved in an accident, and he made a claim to UKI to repair it. His car was an electric car. There was some miscommunication over which company would provide the courtesy car which Mr E complained about. He also complained that the courtesy car he was given wasn't electric, so he was losing out in having to pay for fuel. Plus, it was too small, and he couldn't let his dogs in it. He also complained about the length of time it was taking to repair his car.

UKI acknowledged that initially the communication about who was to provide the courtesy car, plus the type of car Mr E would be provided with, was poor. It felt it had mis-managed Mr E's expectations on this. So, it paid him £150 compensation for that.

UKI further acknowledged that Mr E was left without a courtesy car initially for five days. So, additionally it paid £50 compensation for that and reimbursed him £31 travel costs.

Mr E remained unhappy and brought his complaint to us. The investigator thought UKI had done enough and didn't need to do anything more. Mr E disagreed so his complaint has been passed 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.

Having done so I'm not upholding this complaint. I'll now explain why.

In asking for an ombudsman's decision Mr E said his premium to insure his electric car was an abusive contract as he paid double than a normal car. The terms providing the courtesy car says it 'may not' be of a similar size to the policyholder's car. It doesn't say it *will not* be the same size. Further it's confusing as he was previously given the chance of having a courtesy car of a similar size to his own. He felt it should be illegal to insure premium cars and then exchange them by providing basic cars as courtesy cars.

My role is to consider what if anything UKI has done wrong as regards the terms and conditions of the policy only. And if it has done something wrong, has it done enough to put things right given the content of the terms and conditions of the policy. I have no authority to decide issues of legality on the policy terms or indeed to strike out any terms or substitute new terms as that is a matter for the regulator - the Financial Conduct Authority. This service is an independent dispute resolution service only.

Further this service can't consider any complaint if that complaint wasn't first brought to the business' attention and the business had a chance to deal with the complaint first. Therefore, I will only be considering the issues Mr E raised and UKI responded to in its final response letter of 8 May 2024.

In common with almost all other motor policies, this policy Mr E chose to take out with UKI provides a courtesy car if the policyholder has made a claim requiring his car to be repaired. I consider the term is very clear as it says the following in the Insurance Product Information Document (IPID) which Mr E provided to us as well as UKI under *'What is insured?'*

'Courtesy Car - Whilst your car is being repaired by an approved repairer following a claim, they will give you a small hatchback courtesy car.'

Further in the same document it details *'Optional Covers (available at an additional cost)'*

'Guaranteed Hire Car Plus - Provides a similar sized car to yours after a claim for the full duration of repairs if you use an approved repairer (up to 21 days if total loss or non-approved repairer).'

However, I can see from Mr E's schedule he decided not to pay extra for this cover, as the cover for the guaranteed hire car is clearly marked with an 'x'.

In the actual policy document, which Mr E provided to us as well as UKI, it defines a courtesy car at page 4 as:

'A small hatchback car, or similar car, that an approved repairer supplies to you temporarily on our behalf.'

Later, on page 8 under *'What your cover includes.'* it says:

*'Courtesy car (subject to availability) while your car is being repaired by an approved repairer.
Included if you haven't picked Guaranteed Hire Car Plus.'*

Further, on page 17 it says the following:

'What we'll do

If you claim under section 2 or 4 of your policy and your car is being repaired by an approved repairer:

- You will get a courtesy car to keep you mobile while your car is being repaired, subject to availability.*
- The courtesy car will be a small hatchback car with an engine size of up to 1000cc.*
- ...*
- A courtesy car may not be available on the day.'*

The provision of a small courtesy car whilst a policyholder's car is being repaired due to a claim by the policyholder, is very common in many motor policies so I don't find the fact that it will be a small car at all unusual.

I also consider that UKI's policy makes it as clear as possible what type of a car a courtesy car will be. Every policyholder, and Mr E is no different, is under a duty to read the policy

documents to ensure the cover is what they require. If Mr E wanted a car similar to his own car, then he needed to pay extra to obtain the guaranteed hire car option. Otherwise UKI is under no obligation at all to provide anything more than the type of car it has properly described in its policy documentation as being a small hatchback with an engine size up to 1000cc.

Therefore, I don't consider UKI did anything wrong in providing a small hatchback car to Mr E as his courtesy car whilst his own was being repaired. The car is simply to keep the policyholder mobile, nothing more.

Therefore, UKI is under no obligation whatsoever to refund Mr E for any fuel costs in providing this courtesy car at all, that remains Mr E's responsibility only. The policy is clear on what is not covered because of a claim on the policy as the investigator detailed.

On page 34 of the policy, under the heading of '*Losses we don't cover*' it says the following:

'We won't cover any indirect losses suffered because of an incident, unless we've stated otherwise elsewhere in this policy. For example, we won't cover:

- Losing the use of your car.*
- Travel costs.*
- Loss of earnings.'*

I do consider initially UKI didn't manage Mr E's expectations on what sort of courtesy car he was entitled to. There was also a delay in providing the courtesy car of five days which I consider is a little excessive. This caused Mr E some upset and some travel costs waiting for the courtesy car to be made available to him.

So, I consider it was reasonable of UKI to reimburse the travel costs of £31 and pay him some compensation for the delay of £50. I also consider it was reasonable to pay further compensation for not managing Mr E's expectations on the courtesy car initially. I consider the sum UKI paid of £150 to be more than reasonable here as it's more than in line with our stance on compensation for such matters, which is more fully detailed on our website.

Lastly, Mr E complained of the length of time it took for his car to be repaired. However, I can see throughout UKI's file that it kept him informed about the long delays for parts from the manufacturer of Mr E's car. It's clear that the manufacturer of Mr E's car had some serious problems in being able to deliver parts at that time. This had nothing to do with UKI or indeed its approved repairers and therefore the delay cannot be the fault of UKI. I'm pleased to see that UKI nevertheless kept Mr E mobile by ensuring his courtesy car was available throughout these delays.

In conclusion, I consider UKI's compensation and reimbursement for the initial delay in providing the courtesy car was reasonable and was enough to put things right. And otherwise, I don't consider UKI has done anything wrong.

My final decision

So, for these reasons, it's my final decision that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or

reject my decision before 16 December 2024.

Rona Doyle
Ombudsman