

The complaint

Ms Y is complaining about the way U K Insurance Limited (UKI) has handled a claim she made on her car insurance policy.

What happened

In October 2023 Ms Y was involved in an accident where her car was damaged, so she looked to claim for the damage to her car. She's unhappy with the way UKI has handled her claim for the following reasons:

- UKI's appointed garage didn't repair the car properly. She says it took seven months for UKI to agree to her using her chosen garage to repair the car and also didn't provide her with a replacement car during that time. She said she didn't think her car was safe to drive so didn't use it. She highlighted this had a significant impact on her and her family. She said she was disabled and her children were neurodivergent, so not being able to use her car had a significant personal and financial impact on her and her family. And she said she incurred around £8,000 in taxi charges due to not being able to use her car.
- She said UKI's engineer lied to her. She said he told her he'd spoken with her chosen garage and had agreed a repair cost of £889. And she agreed to accept a cash settlement based on this. But he hadn't spoken with the garage as the garage had said the estimated repair cost was around £7,000. She's unhappy she was misled in this regard.
- UKI didn't tell her it had held her at fault for the accident, despite initially telling her it didn't think she was at fault for the accident.

UKI agreed it hadn't handled the claim fairly and, over the course of the complaints, paid Ms Y £3,000 in compensation. Ms Y didn't accept this and said she was seeking around £48,400 in compensation.

Our Investigator didn't uphold this complaint. She agreed with Ms Y that UKI hadn't handled the claim fairly. But she said Ms Y hadn't evidence the losses she'd said she'd incurred. So she said she couldn't require UKI to compensate Ms Y for this. And she said £3,000 was more compensation than she would have awarded, so she didn't think it needed to pay more than this.

Ms Y didn't accept the Investigator's opinion and she provided a number of detailed medical reports which she said showed the extent this matter had impacted her. She also said her disability meant she didn't have the capacity to gather evidence of her financial losses. She ultimately didn't think £3,000 was close to fair compensation and was seeking in excess of £15,000 in compensation.

As Ms Y didn't agree with the Investigator, the complaint's 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've decided to not uphold this complaint and I'll explain why.

I should first set out that I acknowledge I've summarised Ms Y's complaint in a lot less detail than she has presented it. Ms Y has raised a number of reasons about why she's unhappy with the way UKI has handled this matter. I've not commented on each and every point she's raised. Instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy about this. It simply reflects the informal nature of this Service. I assure Ms Y and UKI, however, that I've read and considered everything they've provided.

Firstly, there's no dispute UKI hasn't handled this claim fairly. In particular I note the following:

- UKI's approved garage didn't repair her car properly.
- Despite safeguarding the door to make the car safe to use, UKI or its engineer didn't tell Ms Y the car was safe to use. As a result, UKI has acknowledged Ms Y didn't use the car for a number of months.
- I'm persuaded Ms Y was unreasonably misled into accepting a cash settlement of £889 which was significantly below what it actually cost to fix the car.
- It took around seven months to get the repairs authorised.

Ms Y has provided extensive submissions surrounding the impact this matter has had on her. I thank her for sharing her medical information. It's clear both the accident and subsequent handling of the claim has had a significant impact on her. And I naturally sympathise with the situation she has found herself in. However, while I do not dispute the impact this matter has had on her, I'm also conscious that some of the injuries and sufferance Ms Y has set out are as a result of the accident itself. UKI isn't responsible for this and I can't reasonably require it to compensate her for this.

That said, as I said UKI could and should have done a lot more to minimise the impact this issue had on Ms Y. Clearly its appointed garage should have fixed the car properly in the first instance. It should have been clearer it was safe to drive the car as its engineer had done a temporary repair to it to make it safe for use. Further to this, it should have been more pro-active in facilitating the car's repair. So it's right it compensates Ms Y.

As I said, Ms Y has provided a detailed submission surrounding the total impact this matter has had on her. She's said the length of time without a car, the financial strain, and the deterioration of my health should all be key factors to be taken into consideration. And I've read and considered it. In particular she has set out that her and her children suffer from disabilities and her children are neurodivergent. I can appreciate that the loss of her car would have had a profound impact on their quality of life. And it's clear it has from what she's provided. The issue for me to decide is whether the £3,000 in compensation UKI has already paid is fair compensation or not. I note Ms Y has said some of this relates to prior issues she'd raised for previous customer service issues. But UKI has offered paid £2,500 alone for the issues with the car.

Ms Y has set out she believes UKI should pay her around £15,000 in compensation. But this amount of compensation would amount to punitive damages. However, it's not this Service's role to fine and punish a business – i.e. we don't award punitive damages. It's our role to assess whether a business has done what it should and, if not, whether it's taken reasonable steps to put things right. This Service has set out guidance surrounding how we calculate distress and inconvenience where something has gone wrong.

It's clear UKI's failings in this matter have exasperated Ms Y's pre-existing conditions and I

have taken all this into consideration. Given the significant impact this matter has had on Ms Y, I would likely have awarded compensation in the vicinity of around £1,000 for the distress and inconvenience this matter has caused Ms Y and her family, which is considered a significant award within our guidelines.

UKI has paid significantly more than this (£1,500). However I'm also conscious it's likely and inevitable that Ms Y would have been out of pocket due to not having access to her car – i.e. incurring other charges such as taxi charges.

I note Ms Y has said she's incurred costs of around £8,000. But she hasn't provided anything to support this. I understand Ms Y has found this matter distressing so hasn't been able to provide this information for this reason. As I said, I sympathise with the situation she found herself in. However, I can't reasonably say she's given me enough to support she was out of pocket to the extent she says. As I said, I'm persuaded it's likely she would have incurred more expenses than she would have done had she felt safe using her car. But I don't think I've seen enough to conclude she's incurred expenses in excess of the £1,500 extra I think UKI's paid in compensation over and above what I would have awarded for distress and inconvenience. So I'm not requiring it to pay more than this.

Finally, I've considered Ms Y's comment that UKI didn't tell her it was holding her responsible for the accident. But I don't agree with this. UKI initially told her it didn't think she was at fault for the accident. But it later received further information from the third party's insurer which resulted in it changing its opinion on this. I can see UKI called Ms Y to discuss why it had changed its stance. It also wrote to her in January 2024 to explain it was holding her at fault for the accident. So I'm satisfied it did tell her it was holding her at fault for the accident.

My final decision

For the reasons I've set out above, it's my final decision that I don't uphold this complaint as I think the compensation U K Insurance Limited has already paid is fair compensation. It doesn't need to pay anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Y to accept or reject my decision before 3 December 2024.

Guy Mitchell

Ombudsman