

## **The complaint**

Mr C complains about the service provided by UK Insurance Limited (UKI) after he made a claim on his motor insurance policy whilst abroad.

## **What happened**

Mr C's car was damaged at the start of his holiday abroad and he made a claim to UKI. Mr C decided to have the car repaired abroad. There were initial delays in recovering it, so Mr C arranged this himself. Then there were delays with the repairs and Mr C wasn't entitled to a courtesy car, so he had to hire one.

The engineer's estimate was approved after about seven weeks. By that time it was too late to repair the car abroad and so Mr C agreed for it to be repatriated. The car was back in the UK two weeks later, but the repairs weren't completed for a further month, about 15 weeks since the accident. Mr C then noticed that personal possessions were missing from the car, and they weren't recovered.

When Mr C complained, UKI agreed there had been delays and poor service. It offered Mr C £850 compensation for this. After the complaint came to us, UKI increased its offer of compensation to £1,100. It settled the personal possessions claim for the policy maximum of £250 and it agreed to consider Mr C's hire costs while his car was being repaired in the UK. But Mr C remained unhappy.

Our Investigator thought that UKI's increased settlement offer was fair and reasonable. She thought UKI had accepted there had been avoidable delays caused by its agent, but it didn't look for an alternative repairer. And she thought UKI's updates to Mr C had been lacking. But she thought its offer of £1,100 compensation was more than fair and reasonable.

She thought Mr C wasn't entitled to a courtesy car whilst abroad. And she thought the compensation offered also covered the impact of the delays. She thought UKI's offer to consider Mr C's hire costs in the UK was fair and reasonable.

But she thought it should also consider any alternative travel costs he could evidence that he'd incurred. And she thought UKI's offer for the personal belongings was fair and reasonable as the car wasn't always under UKI's control.

Mr C replied that he thought UKI should increase its compensation offer by a further £250. As UKI didn't agree to do this, Mr C asked for an Ombudsman's review, so the complaint has come to me for a final 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.

I can understand that Mr C felt frustrated that his time abroad wasn't as enjoyable as he had anticipated due to the delays in getting his car repaired. This left him with inconvenience and having to pay for hire, and also the loss of his possessions. Our approach in cases like this

is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

UKI has a duty to deal with claims fairly and promptly. And I can see that it accepts that the length of time it took to repair Mr C's car was unacceptable. It also agreed that it hadn't provided him with updates and its agent abroad was unhelpful when Mr C contacted it. This meant that the car had to be repatriated for repairs which caused further delays.

When a business makes mistakes, as UKI accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the errors had on the consumer.

From what I can see, UKI reimbursed Mr C for the recovery costs he'd paid whilst abroad. His car has now been repaired in the UK, but the repairer didn't provide him with a courtesy car that he was entitled to under his policy. Mr C incurred hire costs abroad. But I can see that these are excluded from cover in his policy booklet, on page 20:

*"What is not covered*

*Section Ji Courtesy Car - we will not provide a courtesy car for any loss which takes place outside Great Britain, Northern Ireland, the Isle of Man or the Channel Islands;"*

And this is also stated in the policy summary, the Insurance Policy Information Document (IPID):

*"Courtesy car — you are only covered for use in Great Britain, Northern Ireland, the Isle of Man and the Channel Islands"*

So I think UKI reasonably declined to reimburse these costs. Our Investigator has already explained that these are uninsured losses that Mr C may be able to recover from the other driver's insurer. I can see that the other insurer thinks that UKI should include these in its claim for its outlay, but this isn't something it's responsible for and I can't require this.

As the repairing garage in UK didn't provide Mr C with a courtesy car that his policy guaranteed, then I think UKI reasonably offered to reimburse any hire costs he incurred whilst his car was being repaired in the UK, on receipt of reasonable evidence for these. If Mr C also incurred other travel costs due to this, and can provide evidence for these, then I think UKI should also consider these.

Mr C lost personal possessions which he said cost a total of £374.99. The policy limit for personal possessions is £250 and UKI agreed to pay this. The car wasn't always in the control of UKI or its agents before it was returned to Mr C. So I can't say whether or not UKI was responsible for the loss of these things. And so I think its offer is fair and reasonable.

I think this would then reasonably restore Mr C's position in keeping with the policy's terms and conditions. In terms of impact, UKI has increased its offer of compensation for Mr C's trouble and upset to £1,100. I can see that Mr C thought the repairs to his car should have taken UKI's agent four weeks to complete. So I can understand that he feels frustrated with the delays whilst he was abroad.

I can see that he was given incorrect information at times, that he had to chase UKI and its agent for updates, arrange his own recovery after the police contacted him, and sort out his own travel arrangements abroad for an extended time due to the delays. I'm satisfied that £1,100 in total compensation is a very fair and reasonable offer for this trouble and upset as it's more than our published guidance would recommend for the impact caused by UKI's errors. So I don't require UKI to increase this further.

### **Putting things right**

I require UK Insurance Limited to do the following:

1. Pay Mr C £250 further (£1,100 in total) compensation for the distress and inconvenience

caused by its handling of his claim, as it's already agreed to do.

2. Pay Mr C £250 in total compensation for the loss of his personal possessions, as it's already done.
3. Reimburse Mr C for his hire or other travel costs in the UK incurred whilst his car was being repaired, subject to evidence for these.

### **My final decision**

For the reasons given above, my final decision is that I uphold this complaint in part. I require UK Insurance Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 January 2025.

Phillip Berechree  
**Ombudsman**