

The complaint

Mrs C complained about One Insurance Limited's handling of her repair claim under her motor insurance policy.

What happened

Mrs C said that One Insurance took too long to settle her claim and made her return her hire car before a holiday, which was too early and before her own car was repaired. She said One Insurance told her that she couldn't have a replacement hire car after her return. This meant that she had to buy a temporary car and later had to sell it at a loss. She wanted One Insurance to reimburse her for her other outlays relating to the temporary car, and other costs. She said their delay caused her stress and uncertainty and financial loss.

One Insurance didn't want to pay reimburse her for those costs. They said they had no record of telling her she had to return the hire car before her holiday, and that if she'd still needed a hire car on return, she should have asked them for one then, because her policy allowed that.

The investigator recommended that her complaint should be upheld. He thought that One Insurance had acted unreasonably and that they should pay her compensation and reimburse her financial outlays. One Insurance didn't agree and so I've been asked 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.

Mrs C used a garage of her choice for the repairs, rather than using One Insurance's approved repairers. That meant she had to pay for part of the repair bill herself. Mrs C made another complaint relating to that which has been dealt with separately by this Service and I don't refer to that issue further here.

Delay

Mrs C reported the incident causing her car's damage to One Insurance at about the start of September, but her claim wasn't finalised, and she didn't get her car back, until the following March.

Although One Insurance didn't respond to Mrs C's complaint about this, they have since agreed with the investigator that they did take too long. As the investigator has explained, One Insurance had said that they wanted to make some enquires with her as to her car's modifications before they accepted her claim. And though it wasn't unreasonable for them to make those enquiries, there was about a four month delay when they accepted that nothing much was done on the claim. Because One Insurance have accepted that they delayed, I won't go into further detail.

I think that One Insurance did take too long to accept her claim and authorise the repairs. It meant that Mrs C experienced unnecessary delay and was without her car for about six months. It wasn't until about March before she got her own car back. So I think that One Insurance did take too long to deal with her claim. I think that she is due compensation for this, and I deal with that later.

Hire car

Mrs C had a guaranteed hire car policy. At first Mrs C had a hire car under that policy for 35 days between 15 September 2023 and 20 October 2023. She said that One Insurance contacted her about the hire car and when she told them she was going on holiday they required her to return it beforehand and told her that if she kept the car while away, she'd incur extra charges. She said that directly influenced her decision to return the hire car.

She said that One Insurance also told her she couldn't get another hire car after her holiday, so she needed to buy a temporary car to keep her mobile. She wanted One Insurance to reimburse her costs related to that and has given us evidence of those.

One Insurance disagreed with the reimbursement of car losses. They said under the guaranteed hire car policy she could have had 90 days car hire. But One Insurance wrongly thought she'd only had the hire car for a few weeks and as she'd cancelled the hire car early they assumed that was because she didn't need it. They said it was her choice to return it, and she didn't ask for a hire car after her holiday, as she should have if she still needed it. They said that if she had, they could have re-activated the hire. One Insurance said they didn't have any record of calls from her after about September 2023, before she returned the car in October. But One Insurance have only checked one of their call numbers, and I don't think that's enough to show that the conversation didn't take place. I don't have any reason to disbelieve Mrs C about what she said One Insurance told her about the hire car.

I can see that there was a significant amount of hassle and inconvenience and financial outlay in Mrs C buying a car temporarily. So I don't think that Mrs C would have returned her hire car of her own volition and not asked them for a replacement after her holiday unless One Insurance had given her the information she claims. So I think it more likely than not that One Insurance did tell her to return the hire car.

One Insurance said the policy permitted the hire car for 90 days and they would have re-activated it after Mrs C's holiday if she'd asked. But I've looked at the policy wording and I'm not persuaded that it suggests that a 90 day hire period could be paused and re-activated on request. And One Insurance haven't shown us another policy information which does.

Indeed I think the enhanced hired vehicle cover policy wording tends to muddy the waters because it suggests on page 5 that a hire vehicle will be provided for a maximum of 14 days. It also has the exclusion that *"No vehicle is available if repairs are being dealt with by anyone other than one of our approved repairers."* But that was the case for Mrs C's repairs.

Overall I don't think a policyholder could reasonably have interpreted the policy as allowing pause and re-activation of the car hire.

But anyway, given that the repairs weren't finalised until about March 24, Mrs C needed a hire car for more than 90 days. One Insurance haven't said they would have continued to offer hire for the period she continued to need it. That's what we would have expected of them when it was because of their delay. And despite the investigator's request, One Insurance haven't shown us how much providing Mrs C a hire car until her own car's repairs were finalised would have cost them.

Mrs C has shown us that she had to but a temporary car to keep her mobile. I think that was because of One Insurance 's above delays in handling her claim. It would have been reasonable for her claim to have been dealt with in about three months, so from outset to about 7 December. She bought the temporary car for £2,395 on 21 December 2023 and sold it on 14 March 2024 for £1,400. The difference was £995 so Mrs C incurred a loss of that amount. I think that One Insurance should reimburse this. They should also reimburse her the £411.22 cost of insuring the temporary car over that same period.

Mrs C have shown us that she incurred storage charges with the garage who repaired her car while they were waiting for One Insurance 's authorisation to start the repairs. This was £616.67 plus VAT for the period from 1 November 2023 and 2 March 2024. If it hadn't been for One Insurance 's delay, it would have been reasonable for the repairs to have been finalised about three months after the start of the claim. So I think it would be fair for One Insurance to reimburse the storage costs from 7 December 2023 until the date One Insurance paid her garage for the repair, 29 February 2024.

And so One Insurance should calculate the daily cost of the storage and divide the total plus VAT by the number of days from 1 November 2023 until 2 March 2024. They should then multiply that daily cost by the number of days between 7 December 2023 and 29 February 2024.

Mrs C also wanted to claim back the £180 per month she'd paid for her insurance with One Insurance . But as the investigator has explained, she was still receiving the benefit of that insurance for other hazards whilst her car was waiting to be repaired. And ultimately, and despite their delay, One Insurance did accept her claim and pay her car's repairs, so she got what she paid her insurance for.

Compensation

I've decided above that One Insurance took too long to progress Mrs C's claim, and as result of being without her car for so long she lost out on driving it , and was put to extra effort over a period of months including having to buy a car temporarily and arrange and pay for its insurance, and for storage costs. This caused her unnecessary distress and inconvenience.

The investigator thought that One Insurance should compensate Mrs C £350 for the impact of their mistakes on her. I agree with the investigator that £350 is in line with our published guidance for distress and inconvenience awards, and I think it does adequately reflect what she experienced.

My final decision

For the reasons I've given above it's my final decision that I uphold this complaint and I require One Insurance One Insurance Limited to do the following:

- Pay Mrs C £350 in compensation for the distress and inconvenience their actions cased her
- Reimburse Mrs C the £995 difference between what she paid for the temporary car and what she sold it for
- Reimburse Mrs C £411.22 for the insurance on the temporary car
- Reimburse Mrs C's garage's storage costs incurred between 7 December 2023 and 2 March 2024
- Add 8% simple interest to the three reimbursements above to compensate Mrs C from the relevant dates she incurred them to the date One Insurance reimburse her.
- One Insurance must pay the compensation within 28 days of the date on which we

tell them Mrs C accepts my final decision. If they pay later than this, they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 28 April 2025.

A handwritten signature in blue ink that reads "R. Scott". The signature is written in a cursive, flowing style.

Rosslyn Scott
Ombudsman