

The complaint

Mrs T complains Action 365 Ltd trading as Pukka Services (Action 365) unfairly settled her claim on her motor insurance policy.

Action 365 are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Action 365 have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Action 365 includes the actions of the intermediary.

What happened

In July 2022 Mrs T was involved in an accident whilst in her car. She made a claim on her motor insurance policy.

Action 365 made a settlement offer for the repairs to her car to be completed. This wasn't accepted by Mrs T.

Whilst Mrs T's car was in Action 365's care the car V5 document and car key was lost.

Mrs T withdrew her claim in late July 2022 before any work was started on the car because she didn't wish to pay the policy excess. The car was returned to her.

In February 2024 Mrs T contacted Action 365 to say she now wanted to go ahead with the claim. Action 365 made a cash in lieu offer of £1,932.38 excluding VAT for the incident related damage only. This was the same as the estimate to complete the repairs at the time of her claim in July 2022. It also offered £250 as a gesture of goodwill and compromise for any distress and inconvenience caused due to the car key and documents being lost.

Because Mrs T was not happy with Action 365, she brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said Action 365 should reimburse £275 for the lost V5 document and car key if it had not already done so. They thought the £2,318.86 including VAT cash settlement offer was fair and this should be paid. They thought additionally it should pay 50% of the cost of batteries, plus an additional £100 compensation for the distress and inconvenience caused in addition to the £250 already awarded.

As Mrs T is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

Cost of repairs

I looked at Action 365's approved engineers report which was completed just after the incident in July 2022. This concluded the car was repairable and gave a cost of £2,318.86 including VAT to complete the required repairs. I also saw a report from Mrs T's own engineer that gave an estimate of cost of repairs at over £4,000 including VAT. However because Mrs T decided not to pursue her claim in July 2022 a settlement wasn't agreed.

When Mrs T decided she wanted to go ahead with the claim in February 2024 her car had been sat in its damaged condition for more than 18 months. Action 365 said the overall condition of the car had deteriorated during this time. It said the car had sustained further damage, and as it had been left for a significant amount of time there were issues with the car battery. It made a cash in lieu offer for the amount or the cost of repairs from 2022 of £2,318.86 including VAT (£1,932.38 net), less the policy excess.

I am unable to hold Action 365 responsible for any deterioration in the condition of Mrs T's car between July 2022 to February 2024 when she decided she wanted to go ahead with the claim. I don't think it is reasonable for Action 365 to try and organise to complete repairs relating to the 2022 accident damage only. Due to the time that has elapsed I think its cash settlement offer of the same amount as the cost to repair in July 2022, less the policy excess is the fair and reasonable outcome in this case. I have considered Mrs T provided an estimate for repairs to the car in 2022 which was higher than Action 365's approved repairer estimate, however if Action 365 was able to complete the required repairs at a cost of £1,932.38 excluding VAT through its own approved repairer, it is reasonable that it would not pay any more than this as a cash settlement.

Action 365 have said there is no conclusive evidence as to who the fault lies with for the batteries of the car. Therefore the fair outcome is that the cost for the replacement batteries should be shared equally between Mrs T and Action 365. I have seen Mrs T has provided receipts for the batteries to a total of £389.34 and Action 365 should pay her 50% of this total cost (£194.67).

Action 365 said it would pay VAT charged on repairs once evidence was provided that the repairs have been completed and the garage undertaking the repairs have charged the VAT element for this.

I am unable to consider any additional damage to parts of the car that Mrs T has recently said was caused by Action 365, because these did not form part of this complaint.

Missing documents and key

Action 365 has accepted it was responsible for the loss of the car key and V5 documents. It offered £250 as a gesture of goodwill and compromise. Because the car key was never located I saw Mrs T obtained a new key. She provided Action 365 with a copy of the invoice for the replacement and reprogramming of the key in April 2024. I have not seen it has reimbursed her this amount. Or paid £25 for the loss of the V5 document as it agreed to do.

Because Action 365 were responsible for the loss of the car key and documents and there have been avoidable delays to settle costs of these replacement items, I think the total compensation awarded should be increased to £350.

Putting things right

I uphold Mrs T's complaint and require Action 365 to:

- Pay £1,932.38 for the cost of the repairs to the car, less any policy excess due.

- Pay £250 to cover the cost of the replacement car key and reprogramming, and £25 for the loss of the V5 document, if not already paid.
- Pay 50% of the total cost of the replacement batteries. This is total of £194.67 to pay.
- Pay a total of £350 compensation for the distress and inconvenience caused. Less anything already paid.

My final decision

For the reasons I have given I uphold this complaint.

I require Action 365 Ltd trading as Pukka Services to pay Mrs T:

- £1,932.38 for the cost of the repairs to the car, less any policy excess due.

It should also pay the VAT charged on any repairs completed if evidence is provided that repairs have been completed, and the garage undertaking the repairs have charged the VAT element for this. This is to a maximum of 20% of £1,932.38.

- £250 to cover the cost of the replacement car key of and £25 for the replacement V5 documents. If not already paid.
- 50% of the total cost of the replacement batteries. This is £194.67 to pay.
- A total of £350 compensation for the distress and inconvenience caused. Less anything already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 24 March 2025.

Sally-Ann Harding
Ombudsman