

The complaint

Miss W is unhappy with the way Watford Insurance Company Europe Limited (Watford) handled the repair of her vehicle after she made a claim on her motor insurance policy.

What happened

The details of this complaint will be well known to both parties so I've summarised events. In August 2023 Miss W was unfortunately involved in a car accident and so reported a claim to Watford. Miss W spoke with Watford to arrange for her vehicle to be repaired by one of its approved repairers. Miss W asked about a courtesy car but was told by the repairer as parts were on back order it wouldn't be providing her with one. Watford told Miss B it would provide a courtesy car from 4 September 2023. Miss B had paid to insure herself on another vehicle in the meantime.

Once Miss W's vehicle was returned, she contacted the repairer to say there was an issue with it. She said she was told by the repairer the issue was caused by the way she was driving the vehicle. However once her partner reported the same issue with her vehicle the repairer agreed to inspect the vehicle. She felt she had been discriminated against by the repairer due to her sex. Miss W asked for a courtesy car whilst her vehicle was being reviewed by the repairer but she was told one could only be provided once it had been established whether the issue was in relation to the accident or repair. It was identified the issue was caused by the air intake pipe and this was replaced. Miss W was unhappy with the way the repairs had been handled and so raised a complaint.

In December 2023 Watford sent Miss B a final response to her complaint. It said the recovery of Miss W's vehicle wasn't requested at the earliest opportunity which meant Miss W had to make several calls to get the vehicle recovered. It said the policy terms entitled Miss W to a courtesy car when her vehicle is deemed repairable and subject to availability. It apologised the intake pipe was not replaced during the initial repair and for any inconvenience caused from the service by its repairer. It said it followed the correct process by not providing a courtesy car whilst the additional inspection was carried out to determine if the damage was accident related. It offered Miss W £100 compensation and to reimburse the £60 she had paid to insure herself on another vehicle whilst the initial repairs were carried out. It later offered an additional £100 compensation for the distress and inconvenience caused to Miss W. Miss W didn't think this was reasonable and so referred her complaint to this Service.

Our investigator looked into things. He said he thought it was reasonable Watford had agreed to refund the £60 Miss W had paid to insure herself on another vehicle when her vehicle was initially repaired. He said he didn't think it was fair Watford didn't provide Miss W a courtesy car when her vehicle went back to the repairer for further repairs. He said he thought Miss W had been provided poor service by Watford and its approved repairer but hadn't seen evidence the repairer had intended to discriminate Miss W based on her sex. He said he thought Watford should pay £10 per day loss of use for the time Miss W was left without a vehicle when the further repairs were required and pay a total of £300 compensation. This was in addition to the £60 it had previously offered for the alternative insurance Miss W had paid for.

Watford didn't agree with our investigator. It said the policy didn't cover loss of use and a courtesy vehicle isn't guaranteed and so didn't think it was fair or reasonable for it to pay £10 a day loss of use.

I issued a provisional decision upholding this complaint and I said:

'I want to acknowledge I've summarised Miss W's complaint in less detail than she's presented it. I've not commented on every point she has raised. Instead I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Miss W and Watford I've read and considered everything that's been provided. I've addressed the key points separately.'

Courtesy car

The terms of Miss W's policy explain if her vehicle is repaired by one of Watford's approved repairers it will provide Miss W with a courtesy vehicle for the duration of her repairs, subject to availability. Miss W's vehicle was on site with the approved repairer on 14 August 2023, but Miss W was told a courtesy car wouldn't be provided as there were parts on back order.

There isn't anything within the terms of Miss W's policy which says Miss W won't receive a courtesy car if parts are on back order. Therefore Miss W should have been provided with a courtesy car once it was deemed her vehicle was repairable. Whilst Watford have reimbursed Miss W £60 to cover the costs she incurred to insure herself on another vehicle, Miss W has since shown the exact cost she incurred was £61.50.

I think it's reasonable for Watford to cover this cost. Watford have said it wasn't required to provide a courtesy car whilst it investigated whether the further issues with Miss W's vehicle was related to the accident or repair but I don't agree. I think it would have been fair and reasonable for it to have provided Miss W with a courtesy car whilst investigations were carried out as the issue may have been related to the accident or repair, which subsequently it was deemed to be. In any event, had the repairs been carried out correctly in the first instance it wouldn't have been necessary for Miss W's vehicle to be returned to the repairer and Miss W wouldn't have incurred the additional costs she has done. Miss W has suffered a loss due to the repairs not being carried out correctly in the first instance and Watford need to do more to put things right.

Miss W has shown she has paid £114.92 to insure herself on a family member's policy whilst Watford were investigating the issues with her vehicle. I think Miss W has taken reasonable and proportional steps to keep herself mobile whilst she was without her vehicle. I think it's fair for Watford to reimburse the cost Miss W has paid to insure herself on another vehicle.

Discrimination by the repairer

Miss W has explained when she reported the issues with her vehicle she was told by the repairer it was due to the way she was driving. However when her partner reported the same issue the repairer arranged to look into the issue. She feels she has been treated differently by the repairer due to her sex.

Whilst Miss W hasn't specifically referred to the Equality Act 2010, she has implied the repairer has breached the act as a result of their actions. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Miss W wants a decision that Watford have breached the Equality Act 2010, then she would need to go to Court.

On balance, I think it's likely the repairer would have taken the same action even had Miss

W's partner reported the issue with the vehicle in the first instance. The repairer initially said the issue was due to driving style, however once a second person was experiencing the same issue, it could no longer attribute the issue to driving style as two people are likely to drive differently from one another. I think Miss W was treated unfairly by the repairer as it should have agreed to look into the issue she reported in the first instance, however I don't have sufficient evidence to say it treated her differently because of her sex. I can understand why the service Miss W received caused her distress and inconvenience and I've taken this into consideration when deciding reasonable compensation.

Customer Service

Watford have acknowledged it hasn't provided appropriate service to Miss W during the repairs to her vehicle and offered £200 compensation. I've considered whether this compensation fairly reflects the impact caused to Miss W. Having done so I think Watford need to do more to put things right.

Miss W has spent considerable time speaking with Watford and the repairer trying to arrange the recovery of her vehicle and a courtesy car both when the initial repairs were carried out and when the further repairs were being investigated. I've listened to calls Miss W had with Watford in relation to the courtesy car and she was clearly distressed by the service she had received. Whilst Miss W was able to make alternative arrangements by insuring herself on another vehicle, this would have still caused her unnecessary inconvenience. She has also been caused further distress by the way the repairer dealt with her concerns about the repair to her vehicle. Having taken this into consideration I think Watford should pay a total of £300 compensation for the distress and inconvenience caused to Miss W.'

Both parties responded to my provisional decision. Watford said it didn't think it was reasonable for it be required to pay the full £114.92 Miss W paid to insure herself on another vehicle as this covered Miss W beyond the point her vehicle was repaired and returned.

Miss W provided a detailed response, but in summary she said she thought it was fair for Watford to reimburse the costs she incurred to insure herself on another vehicle whilst hers was being repaired. She said she didn't think the compensation of £300 was sufficient for the number of errors Watford made and the distress and inconvenience this caused her. She said she believed the repairer treated her the way it did due to her sex.

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 reached the same outcome as I have in my provisional decision for the same reasons I've outlined previously.

Watford have said it doesn't think it's reasonable for it to pay the £114.92 Miss W paid to insure herself on another vehicle as this covered Miss W on this vehicle beyond the date her vehicle was returned. However I don't think the steps Miss W has taken, and the costs she has incurred, are unreasonable in the circumstances. She didn't know how long she would need to insure herself on another vehicle and the alternative travel arrangements she could have made, such as taxis or a hire vehicle would have likely come at a much higher cost. Ultimately Miss W wouldn't have needed to insure herself on another vehicle had Watford provided her with a courtesy vehicle as it should have done, and so I think it's fair Watford reimburse Miss W the costs she has incurred to insure herself on another vehicle.

I know Miss W feels strongly Watford's repairer treated her differently because of her sex. I

wasn't present at the time and so I have to reach a conclusion based on the evidence available to me. On balance, I think it's more likely than not the repairer would have taken the same action had it been Miss W's partner who reported the issue with the vehicle rather than Miss W for the reasons I've explained. I think the repairer should have agreed to look into the issue Miss W had reported without having to wait for this to be raised again by her partner, and I've taken this into consideration when considering reasonable compensation.

Miss W has said she doesn't think £300 compensation fairly takes into consideration the number of errors Watford made and the distress and inconvenience this caused her. She also thinks it doesn't give Watford an incentive to not treat its customers the way she has been treated.

The role of this Service isn't that of a regulator and so awards of compensation are not intended to act as a fine or penalty, nor as an incentive for a business to improve its practices. The compensation being awarded is to acknowledge the distress and inconvenience Miss W has been caused as a result of Watford's errors. I think Miss W has been caused distress and inconvenience as outlined above, and so it's fair she is compensated for this. However taking into consideration the errors I hold Watford responsible for, I think £300 compensation is fair for the distress and inconvenience Miss W was caused, and the reasonable effort she has made in order to put things right.

My final decision

For the reasons I've outlined above, I uphold Miss W's complaint about Watford Insurance Company Europe Limited. I require it to:

- Reimburse Miss W a total of £176.42 she paid to insure herself on an alternative vehicle
- *Pay 8% per year simple interest on this amount calculated from the date Miss W paid these amounts to the date she is refunded
- Pay Miss W a total of £300 compensation

*If Watford Insurance Company Europe Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest it should tell Miss W how much it's taken off. It should also give Miss W a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 27 February 2025.

Andrew Clarke
Ombudsman