

The complaint

Mr B complains about how Nelson Insurance Company Ltd handled a claim he made on his commercial vehicle insurance policy.

Reference to Nelson includes its agents.

What happened

Mr B holds a commercial vehicle insurance policy with Nelson. When his vehicle was involved in an accident in early June 2024, he made a claim to Nelson for the damage caused. Nelson accepted the claim and arranged for Mr B's car to be returned to him.

Initially Mr B didn't need a replacement vehicle, but the same day his car was collected – roughly two weeks later, he changed his mind and said a replacement vehicle would be required to allow him to carry on working. He's said Nelson declined providing one.

He's also unhappy with the time taken to complete the repairs, and says because he was without a replacement vehicle, that time cost him money – with him needing to borrow from people and miss important payments.

Mr B also complains about how his claim was settled. He's not happy with the amount Nelson paid, or that he had to drive to collect his car himself.

Nelson said it didn't provide a replacement car to Mr B because his policy doesn't provide one. It says he has a separate policy which might offer such cover, but says it isn't responsible for that policy because it doesn't provide it.

Further, Nelson didn't think it had delayed settling Mr B's claim, with Mr B's car being ready to collect at the start of July 2024. It therefore didn't think it was responsible for any losses Mr B was claiming for.

Nelson thought it settled Mr B's claim fairly by settling it in cash. It said it did this because the repairer found further work that needed to be completed that was unrelated to the accident Mr B was claiming for. It cash settled for what it said was its liability on the claim £1,145 less the policy excess of £500.

Mr B didn't think this was fair and brought his claim to us.

Our Investigator didn't recommend it be upheld. They found Nelson wasn't obliged to give Mr B a hire car and didn't think it had delayed handling his claim. So they didn't think Nelson's actions had caused Mr B a loss. They were also satisfied it was fair for Nelson to settle in cash and that the amount was fair.

Mr B didn't agree and asked for an Ombudsman's 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.

Having done so, I'm not upholding it. I'll explain why.

It looks from the evidence I've seen that another company offered Mr B a replacement car initially. Any dispute around whether that company refused to provide one at a later date isn't something that Nelson is responsible for, nor is it something covered in this decision. Mr B's policy doesn't provide a replacement vehicle if his is involved in an accident and needs to be repaired. So I can't say Nelson has acted unfairly by not providing him one.

Much of Mr B's complaint is about the financial impact of not having a car to use while his was being repaired. But because Nelson isn't obliged to provide him with one, I can't fairly say Nelson is responsible for the impact he's claimed. That is of course, unless Nelson unfairly delayed Mr B's claim longer than it should have.

Here, I'm not satisfied that's the case. The timeframe between Mr B making a claim and collecting his vehicle from the repairer is roughly a month. But I also have to take into consideration that during the first two weeks of that month, Mr B said he didn't need a replacement car. That coincides with the time it took Nelson to collect his car. So it took just over two weeks for Nelson to assess Mr B's car and agree a settlement with him. During that timeframe, the claim was progressing as I'd expect, so I don't think Nelson did cause any unreasonable delay.

I'm also satisfied its settlement is fair. It cash settled the claim because the engineer found further damage unrelated to the incident. It's not obliged to fix any damage not relating to the incident and I'm satisfied Nelson was fair in relying on the findings of the engineer. I can see it offered Mr B the chance to either contribute to the repair – and have all the damage including the pre-existing damage fixed – or receive a cash settlement for the damage caused in the accident he was claiming for. I'm satisfied offering that choice was a fair thing to do and that both the presented options were reasonable.

I've seen evidence to support what it would have cost Nelson to fix the damage relating to the incident Mr B's car was involved in, and so I'm satisfied that's what it needed to pay to Mr B to settle his claim. It's also reasonable, that it deducted his excess off this settlement. The excess is something Mr B needed to pay – if his car was repaired, he'd need to pay it. But because Nelson cash settled, pragmatically it makes sense to deduct that from the settlement. I can see this excess has since been returned to him in any event following Nelson settling the claim with the other driver's insurer.

I understand too that Mr B is unhappy he had to collect his vehicle, but his policy says Nelson will return the car to him if it repairs it. It didn't repair it here, it cash settled the claim, so I'm not persuaded it needed to return it.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 April 2025.

Joe Thornley
Ombudsman