

The complaint

Mr L complains about Ageas Insurance Limited's handling of his car insurance claim.

What happened

Mr L had a car insurance policy with Ageas. In January 2024, his car suffered damage and he made a claim. Ageas took Mr L's car in for repair and provided him with a courtesy car.

In May 2024, Mr L complained. He was unhappy with the time Ageas was taking and he expressed dissatisfaction at the prospect of having to continue using the courtesy car.

Ageas issued a complaint response in May 2024. It said the delay was due to parts on order with the manufacturer. Ageas said this was outside its control and directed Mr L to the manufacturer. In response, Mr L told Ageas it should complete the repair promptly or settle the claim by writing off his car. He told Ageas the courtesy car he'd been given was far smaller than his car, so he'd been experiencing difficulty.

Mr L referred his complaint to the Financial Ombudsman Service. He said it had been challenging using the courtesy car to transport equipment for the purposes of his profession. He wanted Ageas to repair the car promptly or write it off.

The Investigator upheld the complaint. They said Ageas should've considered alternative options, such as writing off Mr L's car or providing a suitable courtesy car. They said Ageas also provided poor service in telling Mr L his car was ready when it wasn't. They recommended Ageas pay Mr L £250 compensation for the repair delays and payment for loss of use. They also recommended Ageas complete repairs within three months.

Ageas didn't agree. It said the manufacturer was responsible for delays and it should be them that paid compensation. Ageas said Mr L wasn't entitled to a like for like courtesy car under the policy terms and it wasn't appropriate to write off his car as it was still repairable.

Because the complaint couldn't be resolved, it's been passed to me to decide. It should be noted, where I've addressed matters following Ageas' complaint response, I've done so on the basis they are closely linked to Mr L's complaint and therefore within our service's inquisitorial remit to consider.

I issued a provisional decision upholding the complaint, and I said the following:

"What I've provisionally 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.

Ageas says it's not responsible for the delays because the delays are due to parts being on back order with the manufacturer. I agree the delays due to waiting on parts to arrive were outside of Ageas' control, but despite this, Ageas still had a responsibility under the rules, to handle the claim promptly and fairly. I've considered Mr L's complaint with this in mind.

Mr L claimed in January 2024, and his car is still not repaired. And while the delivery of parts may be outside Ageas' control, where it looks like there is likely to be significant delay in repairing a car, our service expects insurers to consider alternative options.

In April 2024, Ageas found more damage when stripping the car and in the same month it was waiting on parts. By May 2024, it was still waiting on parts, and didn't have any estimated date of arrival. I think it would have been reasonably clear to Ageas at this point, that there had been significant delay in the repair of Mr L's car, and there was likely to be further significant delay.

Given it had already been around five months since Mr L made his claim, and he was unhappy with having to rely on a smaller courtesy car, I think Ageas ought reasonably to have discussed alternative options with Mr L in May 2024. This could include writing Mr L's car off, even if it would eventually be repaired, or providing him with a more suitable courtesy car for the duration of the repairs, even if this wasn't strictly required under the policy terms. And because Ageas didn't do this, I don't consider it treated Mr L fairly in the circumstances.

Mr L told Ageas the courtesy car he was given was smaller than his car, so he'd found it difficult to use it for his purposes. This included use of the car for transporting equipment as part of his profession. I've no reason to doubt what Mr L has said, so I consider Ageas' failure to discuss alternative options with him caused him considerable distress and inconvenience, that lasted over many months.

I can also see Mr L was told in September 2024 his car was ready for collection. But a day before he was due to collect, he was told the car was not ready. I think this too would've compounded the distress Mr L experienced due to Ageas' handling of the claim.

The Investigator recommended Ageas pay Mr L for loss of use, but I've not seen evidence to persuade me Mr L suffered financial loss. And he wasn't without use of a car, as Ageas did provide him a courtesy car. But I've outlined above why Ageas' failure to treat Mr L fairly caused him considerable distress and inconvenience. So, I think it's fair for Ageas to pay Mr L compensation in the circumstances. Keeping in mind the time that has passed, as well as Mr L's comments about the impact this has had on him, I think £400 is fair compensation in the circumstances. So, this is what I intend to direct Ageas to pay.

Ageas said the parts required are expected to be delivered by the end of January 2025. It also agreed to deliver the car to Mr L's garage of choice once the repairs are completed, so Mr L can arrange for an MOT. If Mr L experiences any further delays or is unhappy with any subsequent actions of Ageas, he can raise a new complaint."

Ageas accepted my provisional decision. Mr L didn't respond.

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.

As neither party has given me anything else to think about, I see no reason to reach a different conclusion to the one I reached in my provisional decision. So I uphold this complaint for the reasons I set out in my provisional decision.

My final decision

My final decision is that I uphold this complaint and require Ageas Insurance Limited to:

- Pay Mr L £400 compensation.

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

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Ombudsman