

The complaint

Mr D complains that U K Insurance Limited trading as Direct Line (“UKI”) gave him poor service following a claim on his motor insurance policy. He complains that it didn’t provide him with a suitable courtesy car, that the repairs to his car have taken so long that his vehicle has depreciated and that he’s incurred other costs.

What happened

Mr D had a motor insurance policy with UKI covering his vehicle, which is a large four-wheel drive type. When he bought the policy he paid for an upgraded courtesy car.

He was involved in a non-fault collision in January 2024. He contacted UKI and made a claim.

UKI supplied him a hire car, but Mr D wasn’t happy with it. He needed a vehicle with a high towing capacity for his business. UKI’s supplier of hire cars doesn’t supply them with tow bars. In April he told UKI he’d bought a replacement car and asked that UKI wrote-off his car.

Repairs to his vehicle couldn’t start because UKI was waiting for parts to arrive from the manufacturer. Mr D had bought his car on finance, and found he needed to keep paying the monthly payments, as well as his insurance premiums, while he didn’t have the vehicle.

He also says his vehicle has depreciated while it was in UKI’s repairer, and it’d missed a service meaning that the vehicle’s warranty had been affected.

He complained to UKI about these points and that its communication with him had been poor. UKI said it wasn’t responsible for the parts delays, but it agreed it hadn’t communicated well with him. It said it would pay him £300 compensation. It also said it would pay an additional £300 as a goodwill gesture because of the delays, but it didn’t agree it was responsible for them. UKI also said its wording said it provided a replacement car that was the same size as Mr D’s, but it couldn’t supply a car with a towbar.

Mr D remained unhappy so he brought his complaint to this service. He asks for a replacement vehicle or sufficient compensation to cover a new warranty, and also for the cost incurred such as finance and insurance for the period the vehicle wasn’t being used.

Our investigator looked into his complaint and thought it wouldn’t be upheld. He said he thought UKI’s compensation of £300 plus the £300 goodwill was fair. And he thought UKI’s policy didn’t cover the other areas of Mr D’s complaint.

Mr D didn’t agree with the view. He said he’d lost £40,000 of income due to not having the right type of vehicle, and he thinks UKI should have done much more to minimise his losses when it realised the vehicle could not be repaired in a reasonable timescale.

Because he didn’t agree, his complaint has been passed to me to make a final 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.

Mr D says that he feels very let down by UKI's service, which has caused him a great deal of stress and he wasn't able to carry out certain business contracts meaning he lost a substantial amount of income.

I can see from the file that he's commented: *"My insurers have repeatedly told me to recover my losses from the third party and have appointed a law firm on my behalf. However, I firmly believe that it is my insurer that is responsible for my losses. If they had given me the hire vehicle I required, or written the vehicle off, these losses would not have occurred."*

Throughout the file of evidence I can see Mr D has been repeatedly told UKI isn't responsible for his extra costs or loss of income, and that he should go through his motor legal protection policy (that he'd also purchased) to pursue a claim against the third party driver who caused the collision.

It's this service's role to look at whether UKI has dealt with his claim according to its terms and conditions, and if it's acted fairly and reasonably in its dealings with Mr D. And, having read the file, I think UKI has. So, I'm not upholding Mr D's complaint and I'll explain why.

Hire car

Mr D believes he was entitled to a like-for-like hire car, having paid for upgraded cover.

I've looked at the upgraded cover Mr D paid for, which is called 'Guaranteed Hire Car Plus':

"We'll give you a hire car of a similar physical size to yours, if your car is damaged in an incident, written off or stolen."

The policy defines a hire car as:

"A car or van that's similar physical size to your car, if available, that is supplied to you temporarily on our behalf by the hire car company."

But the policy also says:

"We'll always try to provide you with a hire car that's similar physical size to your car, but sometimes one may not be available. We cannot guarantee that your hire car will be the same as your car in terms of its size, type, value or status".

It seems to me at the centre of this complaint is Mr D's misunderstanding that the upgraded courtesy car cover he paid for would supply him with a vehicle equivalent to his own, that would be similarly equipped and have a similar towing capacity.

But, having read the product information document and policy wording supplied to him by UKI, that's not what the policy cover provides him with.

I think it's fair I say that had Mr D wanted a certain type of car to be provided under the wording, suitable for his business needs and with a very specific set of exacting requirements, then he could have checked his policy and asked UKI what sort of car would be provided. I can also see that when Mr D complained about this, he was told he could arrange for his own hire (within certain limits) as an option. I can't see that Mr D did this.

From the information I have, I can see that Mr D was provided with a hatchback vehicle, which he initially accepted on the basis that it was expected by all parties that it wouldn't take long to repair his vehicle. So, I don't think UKI seems to have reasonably (at least initially) provided him with a car of the same physical size, but from my understanding of Mr D's complaint, his focus seems to be on the towing capacity and lack of tow bar.

And, as the wording says above, the hire car provided by UKI was only supposed to be of a similar size to his own. I can see it asked its provider whether a tow bar was available, but the hire car company didn't supply them.

As I mention above, Mr D could have accessed legal help to recover hire costs from the third-party driver, but I can't see he did this. I've mentioned above that he said he'd bought a new vehicle.

So, I think UKI acted in line with its terms and conditions in supplying the hire car to Mr D.

Delays in repairs

I can see that there were substantial delays during Mr D's claim. In the file there are many mentions about parts delays. I'll mention that Mr D's vehicle is from a brand manufactured in the far east, and from my understanding the delays were caused by a lack of parts availability from the manufacturer.

I do appreciate Mr D's distress about the impact of these delays on his business and himself, but I don't think UKI caused the delays. Put simply, it's not in UKI's interest to cause delays in the claims process as it would need to keep extending Mr D's hire car, and perhaps incur storage charges.

What I would say is that, perhaps, the length of the delays (about nine months in total) should have caused UKI to take a more pragmatic approach to Mr D's situation. He had repeatedly complained about the situation, UKI had repeatedly extended his hire car, and the costs of the claim were likely increasing substantially at the same time as Mr D was saying the lack of a hire car was affecting his income. Although, as I mention above, he told UKI he'd bought a replacement.

I can see from the claims notes there are comments from UKI saying it wouldn't write his car off simply because of a delay in parts supply. It's not the role of this service to interfere in a company's processes, so I don't think I'm able to say whether I think UKI should have actually handled the claim differently, but I do think it's fair I say that Mr D was able to pursue the third party for compensation and had already paid for the means with which to do so.

So, I'm not going to uphold this part of his complaint.

Charges and costs incurred

Mr D has said he's had to continue paying for his car while it's been with UKI's repairer awaiting parts, and then being repaired.

While it was in the repairer, its service was missed and he was concerned this meant its manufacturer's warranty would be invalid. From the file, it's my understanding this issue has been dealt with.

It's a condition of the policy wording that Mr D pays the premium.

I can appreciate Mr D's frustration with his ongoing costs, and particularly so because of the

impact on his income caused by the lack of towbar.

Turning to the policy wording, I can see the following policy exclusion:

“Wear and tear

We won’t cover any loss or damage caused by general wear and tear or depreciation.”

This type of wording is common in motor insurance and I think its use is fair. I do appreciate Mr D’s car was a newer model, and as such it’s likely that the depreciation on it was substantial while it was being worked on, but that depreciation would have taken place whether it was under UKI’s control or his. So I can’t say UKI needs to contribute towards it and the policy wording makes that clear.

Mr D has talked about his loss of earnings caused by UKI not supplying him with a hire car appropriate for his needs. I’ve said above that I think it gave him a hire in line with its policy wording. This exclusion talks about the costs and loss of income he’s had:

“Loss of use

We won’t cover any indirect losses suffered because of an incident, unless we’ve stated otherwise elsewhere in this policy. For example, we won’t cover:

- *Losing the use of your car.*
- *Travel costs.*
- *Loss of earnings.”*

Again, this wording is common in the marketplace and I think its use is fair.

I don’t doubt Mr D’s frustration with his situation, but the policy wording is clear. The cover he has does not cover the types of costs he thinks UKI needs to pay him, so I’m not going to ask it to take action on them.

Claims service & communication

Mr D has also complained about UKI’s poor communication with him. I can see that UKI didn’t contact Mr D in the early stages of his claim, and it was left to him to contact it (about 2.5 months after the collision) to find out what was happening. And I agree with him that this wasn’t good service of UKI.

I can also see he had to chase up UKI repeatedly for more updates, and when he did speak with the claims handlers at UKI he felt they were very scripted in their responses.

From the file, this seems to have been at the same time as it was becoming apparent there was a long delay awaiting the parts, and Mr D said he’d replaced the vehicle himself. So I think it’s fair I say his distress and inconvenience were substantial. In its response to his complaint, UKI said it would pay Mr D £300 compensation.

Several months later, UKI made a further award of £300 as a gesture of goodwill.

I’ve thought about this carefully. I can see that UKI’s service and communication with Mr D hasn’t been very good. There have been long periods where Mr D wasn’t responded to, and in the end he’s had to chase UKI. I can see he’s been inconvenienced over a lengthy period

during his claim.

But I've also got to consider that much of the delay in the claim wasn't UKI's fault even if it wasn't updating Mr D about the lack of progress. And I think it's fair I say that some of Mr D's distress and inconvenience was likely due to him pursuing UKI for his loss of income when the right of recovery would likely fall against the third-party driver who collided with him.

What I will also say is that I can see UKI has said this repeatedly to Mr D. And as I mention above, I can see from the policy cover that Mr D has apparently bought legal protection cover, which usually means he's able to take action to recover what are known as uninsured costs.

So, because this information was signposted to Mr D at points during his claim, even though Mr D believes it to be UKI's responsibility, I think he should bear some responsibility for his own distress and inconvenience. I've considered this service's guidelines on compensation and I think the overall amount awarded to him by UKI is fair and in line with those.

It follows that I'm not upholding this complaint and I'm not going to ask UKI to do anything more.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 April 2025.

Richard Sowden
Ombudsman