

The complaint

Mr B is unhappy with the service provided by Highway Insurance Company Limited (Highway) following a claim made on his campervan insurance policy.

Highway is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. Highway has accepted that it is accountable for the actions of third parties instructed by it. In my decision, any reference to Highway includes the actions of any third party instructed by Highway during the course of Mr B's claim.

What happened

In June 2023 Mr B contacted Highway to make a claim following an incident causing damage to his campervan. The events following Mr B's claim are well known to both Mr B and Highway, so I haven't repeated them in detail here.

Mr B complained about the service provided by Highway - mainly relating to the poor repairs completed on his campervan, lack of communication about his claim, and losses suffered by Mr B because of Highway's poor service.

Highway offered Mr B £500 for the impact of its poor service on Mr B for the period between June 2023 and June 2024. It also recognised the impact on Mr B in being without use of his campervan. Highway said as Mr B hadn't provided any evidence of a replacement vehicle being used, it would calculate Mr B's loss at a cost of £10 per day (reflecting what it would've cost Highway to arrange for a courtesy vehicle), and this totalled £2,820 for the period between October 2023 and May 2024.

Unhappy with Highway's response, Mr B brought his complaint to this service. The Investigator considered the evidence and said Highway needed to do more to put things right. The Investigator recommended Highway increase its offer of compensation to £1,000, and reimburse the cost to repair the centre console (plus interest at 8% simple) in settlement of Mr B's complaint.

Highway accepted these findings. Mr B rejected the Investigator's findings, saying the compensation didn't reflect the severe trouble and upset caused to him. As the complaint couldn't be resolved it has been passed to me for 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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided

It's not disputed that Highway failed to manage Mr B's claim properly. And this poor service caused Mr B to suffer distress and inconvenience over a prolonged period. The dispute now relates to what Highway needs to do to put things right.

For clarity, I've separated my findings to address the different areas of impact on Mr B. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

Loss of use of campervan

Mr B has provided details of the planned breaks for the summer period that he'd intended to make using the campervan. And I don't dispute that this is something that Mr B would've enjoyed if he'd had use of his campervan sooner. But I'm also mindful that the impact of the incident itself would've meant that Mr B's campervan would've been out of service for a period of time. And this would've likely fallen during the summer months Mr B has advised he was planning on using his campervan.

Highway recognised that the reason Mr B's campervan needed further repairs in October 2023 was because of its own poor service. Highway hadn't completed repairs properly the first time, and then delayed in authorising and completing repairs when Mr B's campervan was returned for further repairs. Highway offered Mr B £2,820 to reflect the period between October 2023 to May 2024 (when the campervan was returned). Highway said the financial loss had been calculated at a rate of £10 a day.

The policy terms and conditions don't cover circumstances where repairs are needed again due to first time repairs being completed poorly. I've seen that the policy terms and conditions do say *'If, due to circumstances beyond our control we cannot arrange a hire car for you, we may, at our discretion, reimburse your transportation costs up to a maximum of £10 per day for the hire period.'*

Although Highway should've done more to ensure Mr B was provided with a replacement vehicle sooner, equally I can't see that Mr B provided Highway with any receipts or invoices to evidence any financial loss suffered as a result of being without his campervan. Mr B says a second vehicle was needed for his partner. But the policy is designed to cover Mr B's own losses and the impact on him. And it's unclear why a second vehicle was needed for his partner given the type of vehicle Mr B had (Mr B's own vehicle is a campervan and wasn't included for business use). With the evidence provided, I don't think it would be fair or reasonable to ask Highway to cover the cost of the additional vehicle purchased by Mr B.

Having considered what has happened, I'm satisfied Highway's offer to put things right is in line with the policy terms, and what we'd direct in the circumstances. I also think it's reasonable that Highway calculated the period of loss for the duration that Mr B's vehicle was with the repairer. So I won't be asking Highway to pay Mr B any further costs for being without use of his campervan during this time.

Impact on livelihood

Mr B's submissions for why Highway should do more to put things right largely centre around the far reaching impact on his future business plans. Mr B says his intention was always to use the campervan for the spring/ summer of 2023, and sell it in the autumn to align with the future growth plans for his business. Mr B feels strongly that the delay in repairs impacted the sale of the campervan, and the growth prospects for his business, as he was unable to raise the capital needed to fund this venture.

I've carefully considered Mr B's extensive comments. It's evident Mr B feels strongly about the direct link between Highway's poor handling of his claim, and the impact on his business, Mr B has provided evidence supporting the poor relationship with suppliers as a result of not being in a position to raise the capital needed on time.

We'd expect an insurer to put things right insofar as is reasonably possible. To decide what this is, we'd consider things like what went wrong with the handling of a claim, what impact a consumer has provided evidence for, what the policy terms say, and our approach on determining what's fair and reasonable.

I'm persuaded by what Mr B has explained about the difficulties he has experienced in expanding his business. But, on balance, I'm not persuaded it would be fair and reasonable to hold Highway responsible for the losses Mr B has claimed.

Whilst Mr B may have intended to sell his campervan, I'm not persuaded that this commitment had been made formal to the point where Highway can be held solely responsible for the sale not happening. So I haven't considered the impact on Mr B's plans for his business when deciding what fair and reasonable compensation should look like.

I haven't seen any evidence to support that Mr B had committed to selling his campervan at a specified time in order to raise the capital needed to expand his business. It sounds more like expanding the business was Mr B's intention, but he hadn't made a formal commitment (such as a contract) to guarantee either the sale itself, and/ or the funds being used specifically to grow his business. So I don't think it would be fair to ask Highway to pay for any loss, when Mr B hasn't demonstrated that the sale of the campervan and investment of sale proceeds for his business was definitive, but for Highway's poor service.

Mr B feels certain that he wasn't able to do sell the campervan in time to raise the money needed to expand his business. But having considered the evidence, I'm not persuaded the evidence supports that the impact of Highway's poor service was as far reaching as what Mr B has described. In reaching this decision I'm also mindful that starting a business always comes with an element of risk. And plans do change depending on market conditions at the time, and unexpected events which can lead to a change in strategy. This is a risk undertaken at the start of any business venture.

That's not to say Mr B hasn't experienced upset and distress caused by Highway's poor management of his claim. Because I recognise and accept Highway didn't do a good job of handling Mr B's claim properly, and Mr B was often let down by timeframes that were rarely met, and continual delays on his claim.

The impact of Highway's poor service was felt by Mr B throughout large parts of his claim. This includes time wasted chasing Highway, and upset caused by it continually letting him down. I've also considered the emotional and mental impact on Mr B in not being able to use the campervan over a prolonged period (I have recognised the direct financial loss of this separately in my findings above). I accept that the campervan would've been a place of respite and comfort, and Mr B wasn't able to enjoy this to the extent he could've, because of the repairs being delayed.

The Investigator said Highway should increase its offer of compensation to £1,000. Mr B has also described the impact on his health and well-being in explaining why compensation should be higher. I'm empathetic to all that Mr B has explained, and I would like to thank Mr B for taking the time to share this information with me. As I understand this cannot be easy to share. But all things considered I'm persuaded £1,000 compensation is in line with we'd direct in the circumstances. I'll explain why.

I should reiterate that I have carefully considered Mr B's submissions about the struggles he faced as a result of Highway's poor handling of his claim. This includes repeated calls to Highway asking for an update, repeatedly being told Highway wouldn't accept responsibility for poor repairs (which it later decided it would), and dealing with months and months of delay in concluding his claim.

I'm mindful that making a motor insurance claim can cause upset and frustration, even when things go as they should. But it's evident Highway's service has been poor for large parts of the claim. It could've communicated better, shown more proactive management of the claim, and acted more expediently in reaching decisions on the claim. These failings have all led to undue distress and inconvenience being caused to Mr B over a prolonged period.

But I think £1,000 compensation is in line with what we'd usually direct in circumstances where there has been clear poor service over an extended period, which has impacted a consumer's livelihood. Examples of the type of impact we'd expect to see for this level of compensation includes upset caused as a result of being without use of a valued item, and repeated inconvenience for time spent making unnecessary phone calls and communications, and these instances of poor service happening over a lengthy period. Both of these impacts are evident in the poor handling of Mr B's claim.

All things considered, I'm persuaded £1,000 is fair and reasonable compensation for the poor handling of Mr B's claim, and the impact on him. This amount recognises the poor service caused by Highway over many months, and its lack of timely decision making which caused avoidable delays. I'll be directing Highway to pay this if it hasn't already done so.

Cost of additional repairs

The Investigator said Highway should reimburse Mr B the cost of repairing the centre console in his campervan before selling it, and pay 8% simple interest on this amount from the date Mr B made the payment until the date of payment. I agree with the Investigator's findings for the same reasons. Highway agreed to the Investigator's recommendation for putting things right. So I'll be directing Highway to follow the same.

Putting things right

For the reasons set out above, Highway Insurance Company Limited is directed to:

1. Pay Mr B £2,820 to reflect the period of loss of use of his campervan between October 2023 to May 2024 (if it hasn't done so already);
2. Pay Mr B compensation of £1,000 for the distress and inconvenience caused (if any of this compensation has already been paid, Highway Insurance Company Limited is directed to pay the outstanding amount only); and
3. Reimburse Mr B the cost of the centre console and pay 8% simple interest* on this amount from the date Mr B made the payment to the date of payment.

*If Highway Insurance Company Limited considers that it is required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr B how much it has taken off. It should also give Mr B a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons provided I uphold this complaint. Highway Insurance Company Limited is directed to settle Mr B's complaint as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 April 2025.

Neeta Karelia
Ombudsman