

## **The complaint**

Miss M and Mr W complain about U K Insurance Limited trading as Direct Line (“UKI”) and the service provided to them following the claim made on Mr W’s motor insurance policy.

Mr W has acted as the main representative during the claim and complaint process. And he is the main policyholder. So, for ease of reference, I will refer to any actions taken, or comments made, by either Miss M or Mr W as “Mr W” throughout the decision where appropriate.

## **What happened**

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mr W held a motor insurance policy, underwritten by UKI, when Miss M was involved in a road traffic accident while driving as a named driver. So, she contacted UKI to make a claim.

UKI accepted the claim and made arrangements to repair the car while providing Mr W with a temporary replacement. But Mr W was unhappy with the service provided by UKI and so, raised several complaints.

These included, and are not limited to, Mr W’s unhappiness with the quality of the repairs. He also complained about UKI’s decision to accept liability without speaking to him, clerical errors with how the claim and its circumstances were recorded and the fact his car was ultimately written off, leaving him out of pocket when arranging a permanent replacement. So, he wanted UKI to compensate him appropriately and to cover the £995 deposit he was required to pay for a new, suitable vehicle considering his needs.

UKI responded to Mr W’s complaints and upheld them, offering to pay Mr W a total of £900 compensation. But they didn’t offer to cover the deposit Mr W was required to pay for a new car, considering his insured car has been written off. Mr W was unhappy about this, so he referred his complaint to us.

Our investigator looked into the complaint and upheld it in part. They explained why they wouldn’t consider Mr W’s personal injury issue, as he had instructed solicitors to pursue this via legal channels. And they set out why they thought the £900 already offered was a fair one that adequately compensated Mr W for most of the complaints he raised. But they did recommend UKI pay Mr W’s taxi costs of £180, plus 8% simple interest from the date he incurred these costs, on the receipt of satisfactory evidence.

Mr W didn’t agree, providing several comments setting out why. These included, and are not limited to, Mr W’s continued assertion that UKI should cover the deposit he had needed to pay for a new car, on top of the compensatory amounts paid and put forward. Our investigators outcome remained the same and so, the complaint has been passed to me for a 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 upholding the complaint for broadly the same reasons as the investigator. 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's affected what I think is the right outcome.

First, I think it's important to set out what I've been able to consider, and how. I note Mr W believes UKI's failure to repair his car appropriately led to a personal injury which he has instructed solicitors to pursue a claim for on his behalf. Our service is an alternative to the courts and so, to ensure Mr W's claim here isn't prejudiced, I've not commented on this aspect of his complaint any further. I note our investigator set out the same approach and I can't see Mr W objected to this and so, I'm satisfied it's accepted this issue and it's impact won't be considered as part of the decision I've reached.

And when deciding the issues I can consider, it's important to note it's not my role, nor the role of our service, to re-underwrite the claim as we don't have the expertise to do so. Instead, it's my role to consider the actions UKI have taken alongside the information available to them at the time to decide whether they acted fairly and reasonably.

In this situation, I note UKI have accepted they made a variety of errors, over several complaint responses. These included, and are not limited to, their acceptance Mr W's car shouldn't have been repaired to begin with. And, that there were a number of issues with the way his claim was progressed which ultimately delayed Mr W's car from being written off. And, I note they have made a total compensatory offer of £900, with £400 having already been paid, to recognise the above.

So, I'm satisfied the merits of Mr W's complaint no longer remain in dispute, as UKI have accepted they acted unfairly and unreasonably. Because of this, in line with our service's informal approach, I don't intend to discuss the merits of Mr W's complaint in any further detail. Instead, I've turned to what I'm satisfied does remain in dispute, which is what UKI should do to reasonably put things right.

## **Putting things right**

When deciding what UKI should do to put things right, any award or direction I make is intended to place Mr W back in the position he would have been in, had UKI acted fairly in the first place.

I note Mr W has set out why feel he's been left needing to pay a deposit for a new car that suits his requirements due to the errors UKI made. And because of this, why he feels UKI should cover this cost. So, I've thought about this at length. But having done so, I'm unable to agree.

While it's not in dispute that UKI and their agents failed to repair Mr W's car appropriately to begin with, I've also had sight of the car manufacturer's report, who inspected the car following UKI's failed repairs. And I'm satisfied this report clearly set out their opinion that Mr W's car shouldn't have been repaired to begin with, due to the extent of the damage caused by the accident itself.

So, while I don't dispute UKI's failure regarding the repairs and the other service issues, on the balance of probability I think it's most likely that Mr W would have always needed to pay

a deposit for a new car had UKI progressed the claim as they should have, regardless of the standard of service they provided. And because of this, I'm unable to direct UKI to cover the cost of this deposit.

But I am satisfied UKI's failures have caused an unreasonable delay in Mr W being made aware he would need a new car. And I've thought about this delay, alongside all the other service issues that I've no doubt would have inconvenienced and frustrated Mr W during the claim process. I've thought about the above while taking into account Mr W's health, and the serious medical condition he was suffering at the time before considering the £900 offer put forward by UKI so far.

Having done so, I'm satisfied that this offer is a fair one, that falls in line with our services approach and what I would have directed, had it not already been put forward.

I'm satisfied it is significant enough to recognise the number of errors UKI made during the claim process and how this would have made an already difficult situation for Mr W worse, considering his requirements and his health at the time. And, how UKI's repeated failures led to Mr W suffering for much longer than he should have, while also delaying him from arranging a new and more suitable car than the hire car was using during this time.

But as I've already set out above, I'm satisfied it also fairly reflects the fact that UKI weren't responsible for damage caused by the accident itself. And, that this most likely led to the car needing to be written off. I'm satisfied the total offer also considers the corrective steps UKI have taken through the claim process, which included changing their liability stance, correcting other clerical issues and taking steps to work out a way forward when it became clear there were continuing issues with the car and the repairs.

So, I don't intend to direct UKI to increase this offer. But I do note, from the evidence available to me, that UKI has only paid £400 of this offer, with £500 left outstanding as it was offered subject to Mr W's acceptance. So, I am directing UKI to pay this £500, on the assumption it hasn't been already.

But I do recognise Mr W has set out why the hire car he received wasn't suitable for his needs. And from what I've seen, this isn't in dispute by UKI. While the policy Mr W held does make clear a like for like hire car can't be guaranteed, in this situation I'm satisfied Mr W has been left using this hire car for longer than he should have, due to the delays caused by UKI's failures.

Mr W has set out how this resulted in him incurring £180 worth of taxi charges. And I don't intend to dispute Mr W's testimony on these charges, or why they were necessary, considering his health at the time. So, I'm satisfied UKI should reimburse Mr W for this, with 8% simple interest from the date of payment to the date of refund, upon the receipt of satisfactory receipts/invoices being supplied. But it is Mr W's responsibility to ensure this evidence is provided to UKI.

I understand this isn't the outcome Mr W was hoping for. And I want to reassure Mr W I've thought carefully about all the points he's raised, even if I haven't spoken to them specifically due to our service's informal approach.

I want to be clear to Mr W that I understand why he would hold UKI responsible for the deposit he's had to pay for a new car. And, why he feels the delay in his car being written off cost him more, due to the increased costs of cars over that period of time.

But crucially, I've seen no evidence to show the deposit Mr W has needed to pay would have been less, had UKI correctly written his car off sooner. And, while I appreciate why Mr W

may feel as though a deposit wouldn't have been necessary at all had his car been successfully repaired, based on the evidence available to me I'm satisfied this was unlikely to have been possible.

And while I do appreciate Mr W's concern that his named drivers were left driving the car when it wasn't in the correct condition, I've seen no evidence to show they were negatively impacted by this. I note Mr W himself has incurred a personal injury, but I've already set out why this hasn't impacted the decision I've reached due to his intention to pursue this through solicitors.

### **My final decision**

For the reasons outlined above, I uphold Miss M and Mr W's complaint and I direct U K Insurance Limited trading as Direct Line, and I direct them to take the following action:

- Pay Mr W the additional £500 required to ensure he receives a total of £900 compensation, if this hasn't been paid already; and
- Reimburse Mr W his taxi costs, totalling £180, plus 8% simple interest from the date of payment to the date of refund upon receipt of satisfactory evidence/invoices. Mr W is responsible for providing this information to the business directly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M and Mr W to accept or reject my decision before 26 May 2025.

Josh Haskey  
**Ombudsman**