

## **The complaint**

Mr C has complained about the way Zurich Insurance Company has dealt with his claim for repairs under his car insurance policy.

## **What happened**

Mr C's car was involved in an accident and he made a claim to his insurer, Zurich. Included in the repairs are a damaged driver seat.

A replacement driver seat was no longer available to order. Mr C wanted the driver seat to match the passenger seat.

Zurich gave Mr C options to either replace the seats with reconditioned ones to match, or order a similar new driver seat which closely matched the existing passenger seat. It said if these options weren't suitable, it would pay Mr C a cash settlement to arrange a replacement of the driver seat. Mr C is arranging repairs with his preferred repairer.

Mr C didn't agree these options were fair and wanted Zurich to pay the costs to replace both the driver seat and passenger seat to match.

One of our Investigators found that Zurich had acted within the terms of the policy. But taking a fair and reasonable approach overall, she recommended Zurich pay 50% of the costs towards a matching passenger seat in line with an invoice provided by both parties for a suitable replacement of the seats, and to pay 8% simple interest on the amount from the date Zurich were aware the driver seat couldn't be replaced to the date of payment.

Zurich accepted the Investigator's findings. Mr C didn't agree and wants an ombudsman to decide.

## **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 C's policy with Zurich says it won't cover the cost of repairing, replacing or improving any parts to Mr C's car if they have not been damaged. This isn't an unusual term in motor or general insurance policies. And Zurich says;

*"We reserve the right to use accessories or parts that are recycled or that are not made or supplied by the manufacturer of your vehicle, but are of a similar type and quality to those we are replacing. We will not be responsible for additional storage costs due to the unavailability of accessories or parts, or the cost of importing them from outside of the UK."*

As the Investigator explained, we look at what a policy says, what is industry standard, and what is fair and reasonable in each case. Mr C's car is a 'kit' car, and his policy is a specialist motor insurance policy with Zurich. As in this case, a specialist car can mean it is more difficult to source replacement parts. Mr C's car is a car which the look and performance matters. So I can understand why Mr C wants the driver seat and passenger seat to match.

In response to our Investigator's view, Mr C wants Zurich to meet the full costs to replace both the driver and passenger seats. He says Zurich has caused delay in the remaining

repairs being carried out to his car. He says Zurich paused the repairs due to the seat dispute. He says the remaining repairs could have been carried out and Mr C could have used his car with the existing seats while this issue was being resolved. He wants compensation for this.

Mr C wants a breakdown of what he would receive from Zurich, and to see all other repairs completed before he wishes to order the seats.

Mr C says the car isn't currently insured. He wants Zurich to arrange transportation of his car to and from the body shop at its expense.

Zurich say it was Mr C who paused the repairs with his preferred repairer. It says it will settle his claim for the labour when invoiced as it has already paid for the parts, aside of the outstanding seat issue.

The matter relating to the other repairs and insurance aren't issues that fall under this complaint. I've looked at the complaint Zurich replied to in July 2024 about the repairs to the driving seat only. Mr C will need to speak with Zurich about any concerns he has with the issues he has mentioned in response to the Investigator. If he remains unhappy, he can raise a new complaint with Zurich.

Taking an even handed approach, I think the fairest outcome for both parties is in line with the Investigator's recommendation. In addition to incident related repairs and replacing the driver seat, I think Zurich should pay 50% towards the costs of a replacement matching passenger seat, based on the agreed invoice price for the closest matched seats. If the price has increased since the date of the last invoice, Zurich should pay the increased amount and pay interest on this sum from the date it was made aware an exact driver seat replacement wasn't available to order.

### **My final decision**

My final decision is that I uphold this complaint in part. I require Zurich Insurance Company Ltd to do the following:

- pay 50% of the costs of a matching passenger seat in addition to incident related repairs, in line with the evidence of the costs for similar replacement seats.
- Pay interest on the amount at a rate of 8% simple interest from the date it was made aware a driver seat replacement wasn't available to the date of reimbursement.

If Zurich Insurance Company Ltd considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr C how much it's taken off. It should also give Mr C a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 May 2025.

Geraldine Newbold  
**Ombudsman**