DRN-5610687

The complaint

Mr D, a sole-trader, complains about the handling of his commercial motor insurance claim by Zurich Insurance Company Ltd.

What happened

The following is intended only as a brief summary, as both parties are aware of the circumstances. Additionally, even where others have been involved, I have just referred to Mr D and Zurich for the sake of simplicity.

Mr D has a van that he uses for transporting his tools to work sites. He held a commercial motor insurance policy, underwritten by Zurich. In April 2024, his van suffered fire damage, and he made a claim under the policy. The van was ultimately repaired, and the cost of this met by Zurich. However, Mr D was unhappy with how the claim was handled, including issues with communication, delays and the fact he was not provided with a courtesy vehicle.

Zurich accepted that it had not handled the claim as well as it ought to have, and offered Mr D compensation for this, increasing this when Mr D remained unhappy. However, Mr D was still not satisfied and brought his complaint to the Financial Ombudsman Service. Mr D said that, as well as the inconvenience and stress the process had caused him, he had lost out on a significant amount of work.

Our Investigator agreed that Zurich ought to have done a better job, and that it was appropriate that it compensate Mr D for the fact that he was left without a vehicle. However, she noted that Mr D had not hired a replacement, so had not incurred any expenditure here that Zurich needed to cover. And Mr D had been unable to provide any evidence other than his testimony over what his losses were in terms of his work.

Mr D said that he wasn't able to provide anything other than a few examples of invoices. But that Zurich ought to compensate him based on his estimated losses or pay him the equivalent of what it would have cost to hire a replacement van.

As our Investigator was unable to resolve the complaint, it 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 am not upholding this complaint. I've explained why below.

I note that Mr D is unhappy with a number of specific issues relating to the handling of the claim by Zurich. It also is clear that there was an impact on him from a domestic/social point of view, as well as in relation to his ability to work as he normally would. Mr D has my sympathies for this.

I have not seen anything which leads me to conclude that Zurich deliberately did not provide

a courtesy vehicle. Mr D has said that he saw a note with the garage that said Zurich had told them not to provide one. But I have not seen this. It is possible that there was a miscommunication. A courtesy vehicle would not be authorised until after repairs had been authorised, so perhaps there was a comment to this effect – and that this has been misunderstood by either the garage or Mr D. That said, I also have not been provided with evidence that Zurich proactively sought to get Mr D provided with a courtesy vehicle.

I also note that Mr D is unhappy that Zurich can "get away with" not providing customers with courtesy vehicles, and that steps should be taken to ensure there are always enough vehicles available to meet demand. I appreciate Mr D's feelings here, and to an extent I do not disagree. There will always be some fluctuation in demand though, so having "enough" courtesy vehicles available might not always be possible. (Though it should be noted that Zurich has not demonstrated that there was a higher demand than normal at the point of Mr D's claim.) However, my role is limited to addressing the particular circumstances of the complaint in front of me, and is not to set commercial policy for insurers.

In this case, I think Zurich ought to have provided Mr D with a courtesy vehicle. This did not happen. So, my role is to think about what is required to put this right.

I have also considered the other points Mr D has made. He has referred to being stranded following the damage, but his policy does not include provision for him to collected or provided with a courtesy vehicle immediately. A courtesy vehicle would only be provided once Mr D's vehicle had been assessed. I note that this process took a number of days, and that there were some difficulties with the vehicle reaching the garage in the first place. I also note that Mr D experienced a number of issues with communication, often being sent to different parties for an answer. And ultimately, Mr D was not provided with a courtesy vehicle when he could reasonably have expected to have been.

Mr D is also unhappy with having to pay the excess on the claim. But, whilst it is clear that the damage was not his fault (a fire in front of his vehicle caused the damage), without a third party for an insurer to recover its costs from a customer will be making a claim on their policy and will be required to pay the excess, and likely have this impact their no claims status. Only where a third party can be identified, and a claim redirected to them, would this not be the case.

As well as the inconvenience and stress this whole process caused Mr D, he has said that he was only able to work a couple of days – on local jobs – rather than the three weeks' of work he says he would otherwise have had. Taking into account the costs he would have had, Mr D has estimated he lost out on at least £1,400 of work.

Mr D has not been able to provide any evidence to support this loss, other than five invoices relating to work carried out over a period of around a year. These invoices do not provide a breakdown relating to the time taken to complete the work. And ultimately, provide very little to form the basis for a calculation of Mr D's losses in April 2024. I do note Mr D's comments on the unpredictable nature of his work, which means he is unable to provide evidence of cancelled jobs. And that many of the jobs he completes do not involve an official invoice.

However, in order to direct Zurich to increase the level of settlement to cover Mr D's alleged losses, I need to be persuaded that it is more likely than not that he suffered these losses. I have asked Mr D for further evidence, suggesting a copy of his tax returns – which would allow for an estimation of weekly income. However, Mr D has said that he has already spent too much time dealing with the complaint.

I do appreciate the outgoing inconvenience involved with pursuing a complaint. However, in the absence of anything more persuasive, I am unable to direct Zurich to make any

additional payment to cover Mr D's alleged losses.

Zurich should have done a better job of handling Mr D's claim. It should have supported him through this process, and progressed the claim promptly. It should also have provided Mr D with a courtesy vehicle. However, Zurich has provided Mr D with an offer of compensation that I consider to be in line with what I would have directed be made had no offer existed. It follows that I cannot fairly and reasonable direct Zurich to do more in the circumstances of this complaint.

My final decision

My final decision is that the offer made by Zurich Insurance Company Ltd prior to Mr D referring this complaint is fair and reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 18 August 2025.

Sam Thomas
Ombudsman