

The complaint

Mr T complains that Watford Insurance Company Europe Limited ("Watford") didn't provide him with a courtesy car following a claim on his motor insurance policy. He paid for a hire car instead and asks that Watford refund the costs of it.

What happened

Mr T had a motor insurance policy with Watford covering his car. He bought the policy online via a broker. His car suffered damage in a fault collision in April 2024. He contacted Watford and made a claim.

Watford recovered his car to one of its approved repairers. It'd been immobilised as a result of the collision.

This repairer couldn't carry out the work, and said his car needed to be dealt with by a manufacturer approved repairer. The car was on-site with the manufacturer's approved repairer about two weeks after the collision, so in early May.

This repairer didn't have a courtesy car it could lend him.

Mr T needed a car for his daily commute and other reasons, so he hired cars over the period he needed them, with a gap in the middle when his needs were less.

The repairer supplied a courtesy car to Mr T around 21 June and he kept this until the work was complete in early August.

He complained to Watford as it hadn't given him a courtesy car when he needed it. He said he thought the policy information he'd been supplied in his application process and afterwards wasn't clear.

Watford said its courtesy cars were offered subject to availability. It didn't uphold his complaint.

Mr T said he'd been sent a cheque for £25 from Watford which was because it'd replied to an incorrect email address for him when dealing with his complaint.

Mr T remained unhappy, so he brought his complaint to this service. He asks that Watford repay him for the cost of the hire car he used. He spent £1,630.85 on hire cars from two companies.

Our investigator looked into his complaint and thought it wouldn't be upheld. He said the wording said Mr T would receive a courtesy car subject to availability.

Mr T didn't agree with the view. He maintained the policy wording and other parts of the contract weren't clear about the courtesy car being 'subject to availability'.

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

I issued a provisional decision because I didn't think Watford's actions in not providing Mr T with a courtesy car are fair and reasonable:

"The starting point here is, I think, the policy wording and the cover that it gives.

Under the terms of the policy, Mr T is entitled to a courtesy car:

"What is covered

If you have Comprehensive cover and Your Car is repaired by one of Our Approved Repairers, You will be supplied with a small manual hatchback Car while Your Car is being repaired, subject to availability."

I think this wording is clear. Mr T would be reasonably entitled to a small courtesy car while his car was being repaired. This type of wording is common in the motor insurance marketplace.

I've said above that Mr T's car was at the manufacturer's approved repairer on or around 7 May. Mr T was told a courtesy car would not be available until 21 June.

Mr T has also shown this service an email dated 27 April telling him: "Great news, your repair's underway".

Mr T was left in a position where his car was collected by Watford's recovery agents, and taken to two of its supplier repairers.

I asked Mr T whether his car was driveable after the collision and he confirmed that it wasn't. In fact, it couldn't be moved or pushed without a recovery truck.

So, with his car unusable and taken away by Watford, Mr T was in the position where he wasn't mobile. His job is one that reasonably requires him to be on-site and I understand he has a family that has its own social and domestic transport complexities.

Mr T asked for a courtesy car, but was told one wasn't available as the repairer had no availability. I can also see in Watford's file dated 28 April is mentioned "Re courtesy car these are subject to availability and won't be available as [car brand]".

I thought about whether Mr T could have taken his car to another repairer so that he could get back on the road sooner. So I asked Watford about this, and it replied "Doesn't look like this was discussed with the policyholder and we haven't given any other option for repairer/own repairer"

Mr T confirmed that he'd not been given any choice about the repairer.

I can see from the policy wording that Watford mentions a 'Non-Approved Repairer Excess', so it seems reasonable I say that other repairers could be an option, but Watford didn't offer this option to Mr T.

I don't think Watford did enough by not offering him alternative repairers, and I think it should have done more to keep him mobile and reduce the costs incurred by all parties during the claim.

In its final response to Mr T, Watford said, "Unfortunately, your policy does not guarantee a replacement vehicle in the event of an accident and is subject to availability."

I've thought carefully about this as I think the phrase "subject to availability" doesn't explain

why Watford chose the path it did.

Mr T has explained that he needed a car, and as his car was onsite with the manufacturer's approved repairer about two weeks after the collision, I think it's reasonable to think he'd be entitled to one. But Watford said he'd need to wait a further 45 days before one became available.

In its final response to Mr T, Watford said it: "aim[s] to provide excellent customer service at all times".

In the same letter, it acknowledges: "Whilst [supplier] acknowledge there was a delay in you being provided with a courtesy vehicle, as a specialist garage was required who could deal with the repair to your [car], they were simply not in a position to provide your[sic] with a courtesy car immediately, due to no availability."

It seems to me that Watford is simply following its policy wording, and when there's a delay in supplying a courtesy car, it simply refers to the phrase "subject to availability".

I don't think "subject to availability" is a fair response here. Watford accepted Mr T's premium, and it knew the brand of car he had, and seems to have been aware there were issues supplying a courtesy car. So, I think it's fair I say it should have understood that repairs may need a manufacturer's approved repairer, which may bring added complexities to its repairs process.

But I don't think it's fair that it transfers those complexities to Mr T. If its repairer network didn't have enough capacity, I think it should have offered Mr T options that may have meant his car was repaired faster, perhaps with a courtesy car option.

I asked Mr T how he'd managed to get to work and he told me that he'd managed to get assistance from family and friends for about 11 days, then he felt he needed to hire a car for about 19 days. He returned the hire car during a holiday period, then re-hired a car for a further period until Watford's garage could lend him a courtesy car.

I asked him about other options he could have used, and he confirmed that there's another car in his household, but both adults work full-time on site and sharing isn't feasible. He estimated his daily private hire costs at around £40 per day and has provided some evidence of those costings.

So, I'm persuaded that Mr T's hiring of a car was needed and necessary.

And, for the reasons I have given, I don't think it's fair for Watford to rely on the policy term "subject to availability" regarding the provision of a courtesy car in this case.

It seems to me that Mr T has tried to mitigate his costs and that's fair and reasonable.

What I'm intending to do is require Watford to repay Mr T's reasonable hire costs totalling £1,630.85. Interest at 8% simple should be added to this, from the date Mr T made the payments to the date Watford makes this payment.

I've also thought about Mr T's distress and inconvenience during his claim. I can see he repeatedly had to ask Watford for assistance, and for updates on his claim certainly in the initial phase. I can see he's suffered some distress caused by its claims handling and failure to supply him with a courtesy or hire car. In consideration of that, I think Watford also needs to pay him £200 compensation.

Responses to my provisional decision

Mr T accepted my provisional decision.

West Bay didn't agree. It responded and said it had acted in line with its policy terms and conditions. It said Mr T might not have been able to find another repairer or one with a courtesy car.

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've looked at Watford's response and considered it carefully. In my provisional decision I said that its wording is clear, and the evidence shows that Mr T was provided with a courtesy in line with it, once Watford's repairer had availability.

I don't think it was fair that Mr T had to wait such a long time for a car to be available, especially given that Watford seems to have reasonably been aware there would be issues supplying one.

It also didn't give Mr T the option of using other repairers, which may have helped shorten his period of inconvenience.

Because Mr T accepted, and Watford hasn't provided further evidence to change my mind, my final decision and reasoning remains the same as my provisional decision.

My final decision

It's my final decision that I uphold this complaint. I require Watford Insurance Company Europe Limited to:

- Refund Mr T's hire costs of £1,630.85. Interest at 8% simple should be added, from the date Mr T paid the invoices to the date Watford makes this payment.*
- Pay Mr T £200 compensation for his distress and inconvenience.

*If Watford Insurance Company Europe Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr T how much it's taken off. It should also give Mr T a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Watford Insurance Company Europe Limited must pay the amount within 28 days of the date on which we tell it Mr T accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 July 2025.

Richard Sowden
Ombudsman