

The complaint

Miss W complains about how U K Insurance Limited (UKI) handled a claim for damage to her adapted vehicle following an accident.

What happened

The background to this complaint is well known to the parties, so I won't repeat the details in full here. In summary Miss W's adapted car was involved in a non-fault accident on 12 March 2024. A suitable alternative vehicle wasn't available so a taxi account for essential travel only was set up whilst her car was being repaired.

On 26 March 2024 UKI determined Miss W's car was a write-off. Her taxi account was topped-up but ended on 9 April 2024 leaving her without any form of transportation. Miss W is unhappy because during a call she was told that if UKI had been able to provide a suitable hire car she'd have been able to continue using it for longer than the taxi account had been authorised for. Miss W feels that she has been discriminated against because she wasn't put in the same position as somebody who would have been provided with a suitable hire car. She said that she is totally reliant on her adapted vehicle and because the taxi account was capped at £250 per week, she had to spend money of her own on taxis.

Our investigator recommended that the complaint be upheld. She didn't find that UKI treated Miss W fairly when putting a financial restriction on her taxi allowance before her car was written off. She accepted that this would have caused Miss W distress and recommended that UKI pay Miss W £150 in compensation and refund any taxi expenses that she incurred over the monetary allowance between 13 March and 9 April 2024.

Miss W didn't think the compensation was great enough given the distress the matter had caused. She provided taxi receipts for the journeys she had that weren't otherwise accounted for.

UKI also didn't accept the recommendation. It said that M was responsible for the remit of the lease Miss W had with M and that the scheme was owned and operated by M. It was only contracted to supply a courtesy car and that it was not UKI's decision what the taxi could or couldn't be used for – it followed the guidance of M. It said that between 14 March and 9 April a total of £895 was spent on taxis excluding VAT. It said that in addition to the £50 compensation it had paid, Miss W had also received £150 compensation from M. Further it said that Miss M had been paid £359.75 for loss of use. It didn't agree that Miss W had been treated unfairly.

As no agreement was reached I issued a provisional decision in which I said as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Firstly I'd like to reassure the parties that whilst I've summarised the background to this complaint and the submissions made in response to the investigator's view, I've carefully considered all that's been said and sent to us. In this decision though I haven't commented on each point or piece of evidence rather I've focused on what I find are the key issues here.

Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. Having done so I am minded to uphold this complaint, I'll explain why.

The regulator's rules say that insurers must handle claims promptly and fairly. So I've considered, amongst other things, the relevant law, the policy terms and the available evidence, to decide whether I think UKI treated Miss W fairly.

Under the insurance policy Miss W has with UKI she is entitled to an alternative vehicle, provided on behalf of M, in temporary replacement of the Scheme vehicle to provide continuous mobility under the Scheme. If such a vehicle is provided, UKI has confirmed that the agreement is to provide this initially for four weeks. Unfortunately, an alternative vehicle couldn't be provided that met Miss W's needs. UKI informed Miss W that a taxi account would be set up for her. It apologised and offered £50 for any upset caused. I think that was fair.

Miss W was told that if she had a hire car she would have been able to keep it for a month so I can understand why she felt disadvantaged when her taxi account with UKI ended on 9 April 2024 and she was left without transportation. However, at this time any responsibility UKI had to provide a hire car ended. So I don't find that there was an ongoing responsibility or obligation on the part of UKI to continue with the taxi account at that stage.

Nevertheless Miss W was unhappy that the taxi account was limited to £250 per week. She lives in a remote area so needs her car to leave her home - for appointments, visiting friends, shopping etc. UKI has explained that taxis are an entitlement run by M – and M asks UKI, as scheme provider to support it and book taxis. It says that UKI acts as booking agent only.

UKI has said that the usual weekly taxi allowance is £150 but when Miss W expressed difficulties this was increased to £250. It is not clear to me from the evidence I have whether this was of UKI's own volition or whether it was done in agreement with M. Either way I'm satisfied that account was taken of Miss W's concerns and the amount she could spend was increased. I find that was fair. I haven't seen evidence of Miss W requesting a further increase in any particular week. Although to set her mind at rest I think it would have prudent to advise her that any further requests would be considered. Miss W has now sent in taxi receipts that she has said she spent over the allowance she was given.

In this provisional decision I'm considering the actions of UKI – not M. That said it wouldn't be fair to ignore the fact that UKI has told us that £895+ VAT was spent on taxis and Miss W was also given a loss of use payment of £359.75. Miss W has said she was advised that this was because M was no longer taking her PIP mobility component. I note too that the payment of £359.75 was only made on 26 April 2024 – so was of no help when Miss W needed it. But again – I can't hold UKI responsible for this late payment.

It is not for this Service to make a determination under the Equality Act – that is a matter for the courts. But UKI has a regulatory duty to treat customers fairly. Given that Miss W is totally reliant on her adapted car and is unable to use public transport I am minded to say it would be fair and reasonable for UKI to reimburse Miss W any amount she spent on taxis over £1254.27 for the period 13 March – 9 April 2024. For the avoidance of doubt, I am not able to conclude from the evidence I have seen that Miss W was left out of pocket. But if

Miss W demonstrates to UKI with evidence that she was, the payment should be made, with interest.

Miss W has reiterated that her complaint is also about the distress and toll that the situation took on both her physical and mental health. She feels she was let down by UKI and shouldn't have been left without means of getting out. I agree. Although as she was given the taxi account, which she used and also took taxis which she paid for I have some difficulty in accepting that she was left without means of getting out or was almost housebound.

I fully accept that it wasn't the same as having her own adapted car and that she didn't make all the journeys that she otherwise would have. Unfortunately, when claims are to be made following a traffic incident, the effect on the consumer can be very great, and this was clearly so here. UKI is not responsible for the fact that a non-fault claim was made, and as mentioned I don't find it was responsible for the fact that a suitably adapted car wasn't available for Miss W.

But I do find that Miss W shouldn't have been left out of pocket – and that is the reason I am provisionally upholding this complaint. I find too that she might have been advised that she could request an increase, if need be, rather than left to understand that her taxi account was capped. I feel compensation is merited and I'm satisfied that a total of £150 is fair in the circumstances.

So my provisional decision was to uphold the complaint for any amount Miss W had spent on taxis over £1254.27 for the period 13 March – 9 April 2024, adding interest and to pay £150 in compensation. I invited further comments or evidence but explained that unless the information changed my mind, my final decision is likely to be along the lines of my provisional decision.

Both parties commented. Miss W said that she was disappointed that no consideration was given to the fact that she missed her birthday celebration weekend with friends, events she had planned and not being able to visit her elderly father. She said she wished that she had been able to afford a taxi for these events as she would have been able to claim it back.

Miss W also referred to UKI's final response where it was written that if she had a suitably adapted vehicle she would have been able to keep it for one month and then a further three months. She felt that hadn't been taken into consideration either.

UKI said that under Miss W's policy there was no entitlement on the policy for a hire vehicle. It said: *While repairs are being carried out, we'll do our best to keep you mobile with a replacement vehicle or another suitable option*'. It made the point that this wording doesn't indicate that a replacement vehicle is guaranteed. It also indicates that there may be scenarios where a replacement vehicle isn't available, and in such an event, 'other suitable options' would be offered.

It said that the correct process was to offer either taxi reimbursement up to the amount set by M, or a loss of use payment. It reiterated that UKI had no involvement in setting taxi limits.

UKI didn't agree that Miss W didn't know she could request an increase as the provisional decision said that when Miss W went above the limit and expressed difficulties it was increased. It said that Miss W went over the allowance agreed and understood there was a cap but failed to raise this further. It didn't feel it could be held responsible for this.

UKI also felt that Miss W had been put in a position of betterment that is she had received a taxi allowance and a loss of use payment but she should only have received one or the other.

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 not persuaded to change my provisional decision, and I adopt the reasoning here.

Firstly I appreciate that the policy doesn't *guarantee* a replacement vehicle – this will depend on availability. I recognised that UKI wasn't responsible for the fact that one wasn't available, it apologised and offered compensation which I felt was fair. I reached the conclusion that it would have been prudent to advise Miss W that she could request the cap to be lifted - she did raise the issue, but it was not apparent from the file that she was made aware that she could make further requests.

However, I *have* taken into consideration Miss W's circumstances. I note her disappointment that she wasn't able to attend certain events, such as her birthday celebration or visit her elderly father. From the receipts provided it is clear that she did use the taxi account and booked further journeys for which she paid. So I'm not persuaded that she was left without means of getting about. But I remain of the opinion that she could have been advised by UKI that she could make further requests if need be.

I do note that Miss W had a taxi allowance and a loss of use payment. For this reason, I considered it would be fair for the total sum to be taken into consideration before any further tax receipts are paid.

My final decision

My final decision is that I uphold this complaint against U K Insurance Limited and require it to:

- Reimburse Miss W any amount she spent on taxis over £1254.27 for the period 13 March – 9 April 2024, on receipt of supporting evidence.
- Add interest to any sum payable at the simple rate of 8% per annum.
- Pay Miss W £150 in compensation (I understand that the £50 offered was not accepted).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 28 August 2025.

Lindsey Woloski
Ombudsman