

The complaint

Mr G has complained that Wakam's approved repairer failed to repair his vehicle properly following a claim under his private hire insurance policy and that this led to him losing income.

What happened

Mr G's vehicle, which he uses as a taxi, was damaged in an accident in August 2023. It was repaired by one of Wakam's approved repairers. When Mr G got it back on 9 October 2023, a warning light which indicated the parking sensors weren't working, came on. It took until 12 December 2023 for a main dealer to identify the problem and fit new sensors. The problem was that Wakam's repairer had mistakenly painted over the sensors when it completed the repairs.

Mr G has said that he couldn't use his vehicle for a long period as a taxi until the sensors had been replaced and that he lost income because of this. He complained to Wakam about this via the Financial Ombudsman Service. Wakam issued a final response in which it accepted that there had been an unnecessary delay of 17 days during the repair process. And it offered Mr G compensation of £627.64 for his loss of income in the period. But it said he could have used his vehicle as a taxi despite the fault from 9 October 2023 when it had been repaired. So it wouldn't pay anything for loss of income in the period after this.

Mr G asked us to consider his complaint. One of our investigators did this. He said that based on the evidence provided by Mr G he was satisfied that he couldn't use his vehicle as a taxi until the sensors had been replaced. And he suggested Wakam compensate him for the income he lost because of this between 9 October and 12 December 2023, i.e. 63 days, as well as for the 17 day delay it admitted occurred between when Mr G submitted his claim and when the repairs were completed.

Wakam did not agree with the investigator's view. It provided comments from its engineer that it thought showed Mr G could have used his vehicle as a taxi once he got it back on 9 October 2023, despite the problem with the sensors.

As Wakam does not agree with the investigator, the case was passed to me for a decision.

I spoke with Mr G, and he confirmed he could use his vehicle as a taxi from 12 October 2023, despite the issue with the sensors, as it was passed fit by his local authority. But he didn't have his vehicle for a long period between this date and when the sensors were replaced on 12 December 2024 due to the fact it was with Wakam's approved repairer and then a main dealer to investigate the issue and for it to be fixed. He also explained to me that he lost more each day he was without his vehicle than Wakam had suggested.

I issued a provisional decision on 16 July 2025 in which I set out what I'd decided and why as follows:

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

It is clear from the evidence available that Wakam's approved repairer made a mistake and painted over the parking sensors when it repaired Mr G's vehicle. I say this because Wakam's claim notes show a call was made to the technician at the main dealer and he told Wakam this is what had happened. And this led to the sensors not working properly and a fault showing on the display in Mr G's car.

Mr G has clarified that his vehicle was approved for use by his local authority on 12 October 2023, despite the issue with the parking sensors. So it seems he was able to use it for work after this date. But the issue with the parking sensors had to be fixed. It is hard to work out a time-line to see when Mr G was without his vehicle between 12 October and 12 December 2023 when he got it back with the sensors having been replaced. And, as it was so long ago, when I spoke with Mr G he couldn't really remember how long his vehicle was at either Wakam's approved repairer or the main dealer to diagnose the problem with the sensors and rectify it. As, I've already mentioned, it seems from Wakam's notes and what Mr G has said that he eventually had his car back with the sensor issue fixed on 12 December 2023. And that he dropped his car at the approved repairers on 26 October 2023 for them to investigate the issue with the sensors. What isn't clear is whether Mr G had his vehicle for work at any point between 26 October and when the sensor issue was fixed on 12 December 2023.

I can see Mr G has said he collected his car from the approved repairer on 24 November 2023 and it seems he then took it to the main dealer. So it looks like he had his car to use for work from 12 to 25 October 2023 and then he took it to the approved repairer due to the issue with the sensors and didn't actually have it back to use until 12 December 2023. That's a period of just under seven weeks. And Wakam has admitted there was a 17 day delay due to issues with authorising and completing the original repair. So, I think it is fair to say there was a period of nine weeks in total when Mr G couldn't use his car for work due to the sensor issue being investigated and rectified. And I am satisfied this happened due to an error by Wakam's approved repairer in painting over the sensors and unnecessary delays caused by Wakam and the approved repairer in the original repair process.

I've checked Mr G's earnings from the taxi company he worked for in the same period in 2022 and he earned £525 per week on average in this period. This means I think it is fair to say he lost income of £4,725 as a result of the error by Wakam's approved repairer because he did not have his vehicle. Wakam has paid Mr G £627.64 for his loss of income already. So, this needs to be deducted, which means I think that it is fair and reasonable for Wakam to pay him £4,097.36 as compensation for the income he lost due to the error and delays caused by Wakam and its approved repairer. I do not propose to award interest on this amount even though Mr G has been without these funds. This is because it is an estimated figure, and it is hard to be sure what Mr G would actually have earned due to the various factors that affect availability of and demand for taxi drivers. And it will be for Mr G to declare this compensation to HM Revenue & Customs as extra income received if it is appropriate and necessary for him to do so.

I have noted the way Wakam worked out Mr G's loss of income at £36.92 per day. But I consider its methodology is flawed, because it assumed that the sole reason Mr G earned less in the financial year 2023/24 compared to the financial year 2022/23 was that he couldn't work for 80 days due to his vehicle being off the road. This is based on Mr G's estimate of the total time his vehicle was off the road due to errors by the approved repairer, which isn't far out bearing in mind I think it was nine weeks. But there could be any number of reasons why Mr G earned less in the financial year 2022/23 than he would have done in 2023/24 if he had had his vehicle the whole time. And Mr G has told me that family issues in part of 2022/23 meant he worked a lot less than normal. So, I think the best way to work out what he would have earned in the period he was without his car is to look at his earnings as

shown in statements from the taxi company in the same period in 2022 and use an average per week, which is what I have done. I have excluded December 2022, as the end of this month would have been a particularly busy period due to Christmas and Mr G had his car back by mid-December 2023 anyway.

I also think the whole issue with the sensors and the trouble and upset this caused Mr G, including the financial worries for him as a businessman were significant. And he should receive further compensation for the distress and inconvenience he experienced. It is always difficult to put a figure on this; but based on our normal approach and the level of distress, I think £500 is fair and reasonable.

My provisional decision

For the reasons set out above, I have provisionally decided the fair and reasonable outcome to Mr G's complaint about Wakam is for me to require it to do the following:

- *Pay £4,097.36 as compensation for his loss of income.*
- *Pay £500 in compensation for distress and inconvenience.*

I gave both parties until 30 July 2025 to provide further comments and evidence.

Mr G has responded and said that, as well as being impacted in his role as a taxi driver, not having his vehicle for a long period of time also affected him and his family personally.

Wakam has responded by attaching a copy of its complaint notes and asked for the complaint to be reviewed.

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 appreciate Mr G was impacted personally by not having his vehicle for the period I have set out, but his vehicle was predominantly for business use and the policy he claimed under was taken out for business use. So, I do not consider it would be appropriate for me to make an award for any financial losses to him personally or any inconvenience he experienced on a personal level. And I am not able to compensate his family anyway as they are not parties to this complaint.

I considered Wakam's notes on Mr G's complaint and what happened according to its records prior to issuing my provisional decision. And I also considered its views on how Mr G lost out financially in the periods he was without his car. So, it hasn't provided any further comments or new evidence in response to my provisional decision which alters my view on the fair and reasonable outcome to Mr G's complaint.

I would however like to clarify one thing. Mr G has explained that he had to pay for fuel and other incidental costs from the income he received from the taxi company he worked for. And from what he's said, it seems these things cost him around £65 per week. And he saved this amount each week in the nine weeks he wasn't working due to the delays caused by Wakam and its repairer which meant he couldn't work. So, I think it is fair for this amount to be deducted from the loss of income figure I set out in my provisional decision. The total saving for nine weeks was £585. So I think this needs to be deducted from the £4,097.36 I said Wakam needed to pay in my provisional decision. This means I now consider it should pay Mr G £3,512.36 for loss of income.

Putting things right

For the reasons set out in my provisional decision and above, I have decided the fair and reasonable outcome to Mr G's complaint about Wakam is for me to require it to do the following:

- Pay Mr G £3,512.36 as compensation for his loss of income.
- Pay Mr G £500 in compensation for distress and inconvenience*.

* Wakam must pay the compensation within 28 days of the date we tell it Mr G accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

My final decision

I uphold Mr G's complaint about Wakam and require it to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 September 2025.

Robert Short
Ombudsman