

The complaint

Mr K has complained about Marshmallow Insurance Limited. He isn't happy about the way it dealt with a claim under his motor insurance policy.

Any reference to Advantage includes any agents that it is responsible for unless specified.

What happened

I looked at this case and provided my initial thoughts in my provisional decision as follows;

Mr K made a claim under his motor insurance policy with Marshmallow after an accident. Marshmallow collected Mr K's car and looked to repair it which took a long time and when it was returned it required rectification work. And Mr K felt the car had been driven and was returned to him in an unclean condition with cement on the back seats of his car.

When Mr K complained to Marshmallow it acknowledged that it could've dealt with his claim better and that rectification work was required although it highlighted that some issues, including a battery issue, weren't accident related. It offered £225 in one of its final response letters (FRL) and £250 in a second in acknowledgement of its errors. But as Mr K remained unhappy, especially as the rectification work wasn't complete, he complained to this Service.

Our Investigator looked into things for Mr K and he upheld his complaint. He thought it was clear that Marshmallow had undertaken poor repair work in the first instance, and it had failed to expedite the rectification work that had been identified. And he thought Marshmallow should reimburse the travel costs Mr K incurred while he has been without his vehicle, that it should get an engineer to consider the receipts from Mr K for additional repair work he had to undertake to his car after it was returned not fully repaired in addition to the rectification work it had already agreed to do. And to pay him an additional £100 by way of compensation.

Although both sides agreed with our Investigator Mr K asked that the matter be reviewed by an Ombudsman.

What I've provisionally 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 agree with the position outlined by our Investigator and has been agreed, in the main, by both parties. However, for completeness, I wish to give both parties the chance to comment and to provide some clarification before I finalise my decision.

I'd like to reassure Mr K that whilst I'm aware I may have condensed some of the complaint points in far less detail and in my own words, I've read and considered everything he's told us. I'm satisfied I've captured the essence of the complaint, and I don't need to comment on every point individually, or possibly in the level of detail he would like, in order to reach what I think is a fair outcome. This isn't meant as a discourtesy, but it simply reflects the informal nature of our Service and the fact that a lot of what has happened is accepted by both sides.

It is clear that Mr K's car wasn't repaired to the required standard and that his car was returned to him having been stored poorly to the extent that cement was in the back of the car. Although there may have been some issues that were not accident related and so not covered as part of his claim, such as his battery issue, Marshmallow should have ensured his car was fully rectified quickly and this process has clearly been delayed and drawn out just as the original repair work was.

I would expect that work to be expedited now if it hasn't already been undertaken and for Mr K to be placed in a suitable replacement vehicle throughout the duration of those repairs. Although Marshmallow clearly accepts it should do more here it hasn't been proactive in looking to finalise this now and it shouldn't fall to Mr K to have to chase Marshmallow to get the work undertaken.

Marshmallow has also agreed to reimburse the travel costs Mr K has incurred for the time he has been without his vehicle subject to reasonable proof. Once Mr K has provided this to Marshmallow it can consider and reimburse Mr K the costs incurred. Furthermore, Marshmallow's agent has said it will pay Mr K a £50 contribution towards his petrol costs as his car was returned to him with half a tank of petrol having been used. And it can appoint an engineer to consider the additional expenses Mr K has incurred in repairing his car himself and pay any costs that are related to the original accident damage and poor repair.

Turning to the compensation level our Investigator awarded an additional £100 to the £250 award Marshmallow made in its FRL in April 2025 which I think feels fair. But I say this on the basis that it awarded an additional £225 in compensation in its FRL of January 2025. I'll ask Marshmallow to clarify that these two awards are separate, and so the total award is £575 compensation here up to the second FRL of April 2025 – if that is the case then I agree that this total award feels fair.

I say this as it has clearly been very difficult for Mr K to have been without his car for a prolonged period of time which has impacted his life heavily, especially as he is his mother's carer and she relies on him for transport. I know Marshmallow will consider his additional travel costs separately, but this must have been extremely stressful and inconvenient. And Mr K has had to face being without his car for longer than necessary and it being returned in an unclean condition having been stored badly and requiring rectification work which has dragged out.

Finally, I note that Mr K has raised an additional complaint point in relation to congestion charges he has incurred while in a replacement vehicle while his car was being repaired or was undriveable. As this is a new point that hasn't been covered by Marshmallow in the two FRL's covered under this complaint he will have to complain separately to Marshmallow about this.

Given all of this I'm presently minded to ask Marshmallow to undertake all the necessary rectification work to Mr K's car that is attributed to the accident or the inadequate initial repair work (if it hasn't already) but not through the original repairer and fully checked by an engineer before return to Mr K. And to pay him £575 (total) compensation, plus the £50 it has said it will pay him for fuel and to reimburse his travel costs and his own repair costs subject to reasonable proof.

Replies

Both sides responded. Marshmallow said it agreed with the position outlined while Mr K called to say that he agreed generally with the provisional decision. But he just wanted to know if the compensation would include the monthly payments he had made to his finance

company for a car he couldn't drive; he also clarified exactly where the cement on the car was; and that he was still finding glass in the car as it wasn't fully cleaned after repair. And that he understood that he would need to make a separate complaint about the congestion charges.

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.

As Mr K has, in the main, agreed with the position outlined and Marshmallow has agreed in full I don't propose to go over the finer detail of this complaint again. But I will comment on the additional points Mr K has made in response to my provisional decision.

I thank Mr K for the clarification in relation to where the cement was on his car upon return after it had gone in for repair. And I know Mr K would like the costs he paid in paying his finance agreement while his car was in for repair and he couldn't use it, but these were costs that would always be incurred and has brought his overall finance down. And so, I think the overall compensation of £575 (total) alongside transportation costs incurred is sufficient here and covers any additional inconvenience caused by the car not being cleaned as well as Mr K would have liked.

So, I remain of the view that the fair and reasonable thing to do, in the particular circumstances of this case is for Marshmallow to take the steps outlined in my provisional decision.

My final decision

It follows, for the reasons given above, that I uphold this complaint and I require Marshmallow Insurance Limited to

- undertake all the necessary rectification work to Mr K's car that is attributed to the accident or the inadequate initial repair work (if it hasn't already) but not through the original repairer,
- have all the work fully checked by an engineer before returning the car to Mr K,
- pay an additional £100 compensation (£575 total),
- pay Mr K the £50 it has said it will pay him for fuel, and
- reimburse his travel costs and his own repair costs subject to reasonable proof.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 October 2025.

Colin Keegan
Ombudsman