

The complaint

Mr S has complained about delays in his car being repaired by his commercial vehicle insurer, Wakam UK Limited.

What happened

In March 2025 Mr S made a claim on his policy for damage sustained to his van. The van was taken in for repairs by one of Wakam's approved repairers and at the time Mr S brought his complaint to our service, in June 2025, it hadn't yet been repaired.

Mr S firstly complained to Wakam who said that the delays were due to unavailability of parts, something which was outside the repairer's control. It paid Mr S £100 for the distress and inconvenience it caused him.

Unhappy with Wakam's response, Mr S brought his complaint to our service. He said he had to rent a van so he could carry on working and had paid around £1,600 in hire charges up to that point and this increased to £3,700 over a period of four months. In September 2025 Mr S decided to buy another van and incurred further costs as well as more insurance costs.

One of our investigators reviewed the complaint and thought Wakam should pay Mr S's hire costs from the date the van went in for repairs to the date of Wakam's response to Mr S's complaint plus interest. Our investigator also thought Wakam should increase its compensation payment from £100 to £250.

Wakam agreed to increase the compensation offered but it didn't think the investigator drew a distinction between a hire vehicle and what was provided by the policy which was a courtesy vehicle to be used only for social, domestic and pleasure purposes. It asked for an ombudsman's decision.

Our investigator didn't change her view. She didn't think there was a distinction between a hire and a courtesy car in the specific circumstances because the policy didn't define what a "courtesy car" is. The matter was then passed to me to decide.

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.

Mr S brought his complaint to our service in June 2025, the same month Wakam issued its final response. As a result, I am only able to consider events up to the date of that response. I appreciate that Mr S experienced further delays afterwards and that the van was eventually declared a total loss around November 2025. If he remains dissatisfied with how those later

matters were handled, he can raise a separate complaint, and if necessary, bring it to our service.

Wakam has agreed to increase its compensation award to £250 as per our investigator's suggestion. And as far as I am aware, Mr S hasn't disagreed with this amount. I think this is fair and reasonable bearing in mind the inconvenience Mr S was caused particularly in having to hire other vans so he could carry on working. And also the stress of not knowing when his van would be repaired so he could plan accordingly.

Under the terms of the policy, if repairs are carried out by an approved repairer, a courtesy vehicle will be provided, subject to availability, and it will not necessarily be a like-for-like replacement.

From what I've seen, Mr S's van was taken to the garage in early May 2025 once the required parts had arrived. However, after the car was dismantled, further damage was identified and more parts were required. The necessary parts were ordered two days later. The repairers were informed that there were delays with sourcing a particular part and that the manufacturer said it would take two to three months for it to be sent. The repairers also advised it wasn't the type of part that would be sold used. They were given an arrival date of 25 June 2025 but that date was pushed back again to July 2025. And there were further delays thereafter.

I accept that the repairer was not responsible for the delays in obtaining parts, and that it acted promptly in ordering them. However, Wakam, as the insurer, remained responsible for managing the claim in a timely and effective manner. It was made aware early on that a vital part might take months to arrive, yet I've seen no evidence that it explored alternative solutions — such as assessing whether the van should be written off earlier — to minimise the impact on Mr S. In the circumstances, I consider that Wakam failed to handle the claim fairly.

The policy provides for a courtesy car, subject to availability, and also states that it would not be a like for like replacement. At the same time, as pointed out by our investigator the policy does not define what type of car a "courtesy car" would be. Furthermore, stating that if a courtesy car is provided it will not be a like for like replacement doesn't necessarily mean it will be smaller than the insured car/van though I accept in most cases courtesy cars are small, class A cars. I haven't seen that Mr S was ever offered a courtesy car by the repairers and though I appreciate this was subject to availability, I would have still expected for there to have been a discussion around this. And given the length of delay, I would have expected Wakam to have considered providing a hire vehicle, even if this went beyond the terms of the policy, as a means of reducing the disruption to Mr S.

Mr S took steps to mitigate his own loss by hiring alternative vans so he could continue working. I consider this reasonable. Even if he hadn't hired another van, Mr S would have arguably been entitled to some compensation for the loss of use of his van while it was in for repairs, especially as he wasn't provided with a courtesy car in the meantime. And he would have likely also suffered a loss in his earnings without a van because he uses it for work. So I think it was reasonable that he hired a replacement. Mr S said the hire cost around £3,700 for a period of four months which would mean £925 per month or around £230 per week. I think these are reasonable hire charges for a van of that size based on commercial rates.

Given the very specific circumstances, I consider it fair and reasonable for Wakam to reimburse Mr S's hire costs from 6 May 2025, when the van was taken in for repairs, until 6 June 2025, the date of its final response, plus interest. This is subject to Mr S providing evidence of the hire charges he incurred.

My final decision

For the reasons above I have decided to uphold this complaint. Wakam UK Limited must pay Mr S £250 compensation in total for the distress and inconvenience it caused him. It must also pay him for his hire costs incurred between 6 May 2025 when the car went in for repairs and 6 June 2025 when Wakam UK Limited responded to the complaint plus 8% interest per year simple from the date these costs were incurred to the date it pays him. This is subject to Mr S providing evidence of the hire charges he incurred, and those charges being broadly consistent with the amounts he has already indicated.

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

If Wakam UK Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr S how much it's taken off. It should also give Mr S a tax deduction certificate if he asks for one so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 February 2026.

Anastasia Serdari
Ombudsman