

### **The complaint**

Mr P has complained that his commercial vehicle insurer, Wakam, failed to deal with a claim he made on his policy after he was involved in an accident.

### **What happened**

Mr P was involved in a non-fault accident in December 2023 which severely damaged his car and also resulted in him suffering injuries.

Mr P was unhappy that Wakam failed to provide him with a replacement vehicle and says it ignored his communications. Wakam accepts that it failed to respond to the complaint.

Mr P brought his complaint to our service. He said Wakam failed to provide him with a replacement car so he wasn't able to carry on working, which led to him suffering significant financial losses which also impacted his credit score. He was also unhappy with the third-party insurer for delaying settling the claim. He added that he had to instruct "no win no fee" solicitors to make a claim on his behalf but they failed to adequately progress the matter. Mr P said he wanted compensation for his loss of earnings and other expenses as well as the distress and inconvenience he suffered. He also wanted a written apology.

After the complaint was referred to our service, Wakam told us that it spoke to Mr P in January 2024 and he said he didn't want Wakam to deal with his repairs. It accepted, however, that the handler did not go on to explain to Mr P what this meant in terms of his claim. It offered Mr P £150 compensation for this and for failing to respond to his complaint.

Wakam told us that the policy only provides a replacement vehicle in relation to fault claims but it referred Mr P to a credit hire provider but they refused to provide hire. If Mr P had agreed to use a Wakam approved repairer, he would have been provided with a courtesy car but he would not have been able to use it for his work.

Mr P didn't accept Wakam's offer. He said that he has lost significant amounts in terms of his income over several months and has mounting debts. He said the offer doesn't adequately compensate him for this.

One of our investigators reviewed the complaint and thought Wakam should pay Mr P £250 compensation. Our investigator listened to the conversation between Mr P and Wakam and thought Mr P had been offered the option of repairing his car but declined. This meant no claim was made under the policy. But our investigator thought Wakam should compensate Mr P for failing to explain what this would mean for him.

Wakam accepted our investigator's view but Mr P didn't and asked for an ombudsman's decision. 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.

I'd like to start by saying that I was very sorry to hear about Mr P's accident and also about the serious impact it has had not only on his health but also on his finances.

Mr P's policy provides cover for, among other things, his vehicle being damaged in an accident. The policy also states that if he wished, Wakam could have organised repairs through one of its approved repairers and if it had done so, Mr P would have been provided with a courtesy car, subject to availability. If Mr P had not chosen to use an approved repairer, he wouldn't have been provided with a courtesy car. But in any event if a courtesy car had been provided it would only have been for social domestic and pleasure use- so Mr P would not have been able to use it for his work.

I have listened to Mr P's conversation with Wakam which took place in January 2024. The adviser mentioned she had referred the matter to a credit hire provider but they refused to provide a hire car to Mr P because the other side were at that stage still disputing the costs/liability. The adviser then told Mr P they would get his car to a garage for repairs. Mr P said he didn't want his car to be repaired because it was badly damaged, and no one would buy it. He said, in fact, at the time of the accident he was on his way to sell the car as he needed another car for his work. The adviser said they could arrange for it to be repaired so it can be sold but Mr P said he didn't want that as the price had already gone down due to the accident. The adviser asked Mr P again whether he wanted the car repaired, and he said no. Whilst on the call, Mr P had another call waiting so they ended the conversation.

Having listened to the conversation I agree that Wakam should have provided a further explanation as to what not having his car repaired through his insurer meant for Mr P. I think Wakam should have made it clear that this meant no further involvement, no claim on the policy but also that Mr P would have to take his claim against the third party forward himself. Furthermore, Mr P said he didn't want the car repaired but it isn't clear whether by this he meant it should be a total loss or whether he wanted no involvement from Wakam. I think this is something Wakam should have clarified before noting Mr P didn't want to claim through his policy. I think this meant a lot of uncertainty for Mr P as well as distress and I can understand why he felt unsupported by his insurer. And for this and the fact that it didn't respond to his complaint, I think Wakam should pay Mr P £250 compensation.

From what I can see Mr P instructed "no win no fee" solicitors to pursue his claim against the third party, seemingly shortly after the accident and I say this bearing in mind they obtained an engineers report in February 2024. So, on balance, I don't think Wakam's lack of involvement delayed the progress of Mr P's claim. I appreciate Mr P is unhappy with how his solicitors were progressing the matter but as this isn't something that was done under his policy with Wakam, it's not something I can hold Wakam responsible for. This is something he will have to raise directly with the solicitors.

Mr P said Wakam failed to provide him with a replacement vehicle but as I said above, as Mr P didn't go through Wakam's approved repairers he wasn't entitled to one. And in any event even if he had been provided with a courtesy car under the policy he would not have been able to use it for work which is the main reason Mr P needed a replacement car. So I can't see that this put him in a worse position. I see Wakam did try to refer him to a credit hire provider which is a separate company to Wakam but the provider refused as liability still seemed to be in dispute at that stage. As this is a separate company to Wakam I don't think this is something Wakam is responsible for but I think it was reasonable that it made the referral in the first place.

I also understand Mr P was unhappy with delays caused by the third-party insurer but as our investigator explained, this isn't something we can look into for him as he isn't that insurer's client which means any complaint about the third party insurer would fall outside our jurisdiction.

### **My final decision**

For the reasons above, I have decided to uphold this complaint. Wakam must pay Mr P £250 in total by way of compensation for the distress and inconvenience it caused him. If it has already paid the £150 it previously offered, it must only pay the balance.

Wakam must pay the compensation within 28 days of the date on which we tell it Mr P 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 considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr P how much it's taken off. It should also give Mr P 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 P to accept or reject my decision before 23 December 2025.

Anastasia Serdari  
**Ombudsman**