

The complaint

Mr A complains Zurich Insurance Plc hasn't fully repaired his car following a claim on his motor insurance policy. He says it hasn't repaired accident-related damage and the repairer has caused further damage. As a result, he's been left without the use of his car.

All references to Zurich include its agents.

What happened

Mr A took out a motor insurance policy around June 2024. In September 2024, his car was involved in an incident with a third party. So Mr A made a claim on his insurance policy. After the car was inspected, around the beginning of October 2024 Zurich confirmed to Mr A that the car was deemed repairable. So it was moved to a repairer chosen by Mr A who provided an estimate for the repairs needed to Zurich.

The repairs listed included removing a damaged rear bumper, straightening the boot floor edge, fitting a new rear panel, re-aligning the tailgate, painting a new panel, and rust proofing all new panels. Zurich authorised the repairs a few days later.

Around December 2024, Mr A said he inspected the car at the garage and noticed accident or repair related damage. This included that the tailgate was misaligned and there was corrosion or rust in different parts of the car. So Zurich arranged for an independent inspection to be carried out by an engineer. The engineer didn't agree there was damage or that if there was damage, it was accident related. So it didn't agree to carry out any further repairs. And around March 2025, Zurich said, it considered all repairs were complete and it wouldn't cover the cost of the repairer storing the car.

Unhappy with Zurich's response, Mr A raised a complaint. He said the repairs were outstanding and he wouldn't be accepting the car back from the repairer until they were carried out. As Zurich maintained its position, Mr A asked our Service to look into things. Throughout the complaint, Mr A has raised concerns about a number of different issues with the car, including that its upholstery had been damaged and stained. And he thought the repairer caused further damage to the car by storing it outside. Both parties then arranged for further inspections of the car.

Mr A's engineer didn't agree all the damage Mr A highlighted was there. But he agreed there were some elements that were likely caused by the repairer. Zurich's engineer (who I'll call "NA") agreed the repairer had caused some damage but other damage was pre-existing.

Our Investigator didn't uphold the complaint. She didn't think the outstanding damage was accident related and she didn't think Zurich was responsible for repair related damage as Mr A chose the repairer. Mr A didn't accept our Investigator's opinion so the complaint was passed to me to decide.

I asked Zurich for evidence it explained to Mr A if he used his chosen repairer Zurich wouldn't be liable for anything that goes wrong. Zurich didn't have evidence it explained this but it didn't think this would be a fair reason to hold it liable for the problems caused by Mr A's repairer. It said Mr A made it clear he wanted to use his chosen repairer and it was unlikely it's approved repairers could restore his classic car.

I issued a provisional decision in November 2025 of which I've included a copy of below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Based on what I've seen so far, I intend to uphold this complaint as I don't think Zurich has treated Mr A fairly. I'll explain why.

Liability for repairs

Zurich says as Mr A chose the repairer, it's not responsible for any damage the repairer caused or problems with the repairs. But I'm not currently persuaded by what it's said here. Whilst I accept Mr A chose the repairer, I'd expect Zurich to have explained that it wouldn't be liable if anything went wrong with the repairs. Without doing so I don't think it gave him the opportunity to make an informed decision about whether to use his own repairer or not.

I've looked at the policy documentation provided and can't see anything setting this information out in there. And Zurich hasn't been able to give me any evidence it was explained at the time of the claim or when Mr A's repairer was discussed. So I'm not satisfied it did adequately explain to Mr A what using his chosen repairer would mean.

I also note Zurich has said it's unlikely any of its approved repairers would've had the capability to restore Mr A's car. This suggests to me that even if Mr A hadn't requested a specific repairer, it's unlikely Zurich would've been able to use one of its approved repairers in any event – and Mr A was assisting by asking to use a repairer he knew. So overall, based on what I've seen so far, I'm satisfied Zurich should cover the cost of repairing all accident and repair related damage to Mr A's car.

Outstanding repairs

Mr A has described a great deal of damage to his car. But it's clear to me from looking at both parties' engineer reports that not all of the damage is thought to be there and some of it was considered pre-existing or caused by wear and tear.

I don't think Zurich needs to cover the cost of repairing pre-existing damage or damage caused by wear and tear. But I do think it should cover the cost of anything that either report says was caused by the accident or repairer which I've listed below:

- *Small amount of weld or seam sealer on the top edge of the nearside rear body panel.*
- *Tailgate aperture gaps are slightly out of alignment.*
- *Stained and dirty upholstery.*
- *Damage to the number plate which is out of alignment.*
- *Damaged and slightly twisted front bumper.*
- *Dirt particles in the paintwork on the boot floor panel which needs de-nibbing and polishing.*
- *Interior trim on the nearside and offside interior of the boot is insecure.*
- *Fragments of metal on the rear panel that need cleaning away.*
- *Reverse lamp cracked.*

I appreciate some of the items above are listed as accident or repair related damage in Mr A's report but not Zurich's. But at the moment, I find Mr A's report more persuasive as it was carried out following an in-person inspection and has been provided in full for me to review. So I'm satisfied Zurich should cover the cost of repairing all of those items.

I understand Mr A is also unhappy his car was kept outside. But based on what I've seen so far, I don't think doing so was unreasonable as there wasn't enough storage space to keep it inside. And from what I've seen on Mr A's statement of fact, he confirmed the car wouldn't be garaged when not in use. So I don't think the repairer keeping it outside was likely to cause any more damage than it would normally be at risk of.

Loss of use of car and consequential losses

Mr A wants Zurich to pay him £24,000 for the loss of use of his car as he doesn't think it was safe to drive. But from the list of repairs the engineers – including Mr A's engineer – says are needed, I'm not currently persuaded by what Mr A's said as the issues mostly seem to be cosmetic. And in any event, I haven't seen anything to support Mr A's calculation that the use of his car is worth £6,000 per month, particularly as the parties don't appear to dispute that the total market value of his car is around £24,000. My role is to put Mr A in the position he would've been in if nothing had gone wrong, i.e. his car was repaired fully and promptly. And I think the payment he's requested here goes beyond that.

I understand while Mr A's car remained at the repairers, he was charged for storage at £10 per day after March 2025. I consider this complaint has gone on for longer than it needed to and if Zurich had taken responsibility for the outstanding repairs earlier, it's likely the car wouldn't have remained at the garage for so long. So I think it should cover the storage costs Mr A incurred.

Mr A paid for an engineer to inspect his car. Had Zurich explained things clearer when Mr A chose the repairer or treated him fairly, I don't think Mr A would've needed to pay for this. So I think he's worse off because of it and I think Zurich should cover the cost of it.

This complaint has been ongoing for Mr A for a great deal of time during which I can see he's experienced distress and worry over his car. He's also spent time going back and forth with Zurich and organising his own inspections and an expert report. I think it's likely throughout this time, he wouldn't have felt listened to. To make up for the distress and inconvenience Zurich has caused Mr A over a long period of time, I think it should pay him [£300] as compensation.”

I asked both parties to make any further comments in response to my provisional decision before I reach a Final Decision.

Zurich said it accepted my provisional decision but it asked for confirmation of how much compensation needed to be paid. In response, I confirmed it should be £300. Mr A initially said my provisional decision seemed fair and reasonable. But he highlighted that his front bumper was twisted and damaged, not his number as I'd said. And he said his car had been stored in a classic car storage facility at a cost of £150 per month to prevent further deterioration.

I asked Mr A for further information about why he needed to keep his car in a storage facility as it didn't appear from the insurance statement of fact that he kept it in this way before the insured event. He explained he usually kept it under cover or in his garage. But he decided to keep it in a storage facility to prevent any further deterioration while the complaint was still ongoing in case any further engineering assessments were needed. Mr A also mentioned he hadn't received any guidance from Zurich about the effect of the damage and incomplete repairs on the agreed value of his car which he needed to know upon renewal of his policy.

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've reconsidered this complaint in light of the comments received. Mr A highlighted he's incurred an additional cost which I didn't consider as part of my provisional decision as he's been paying to store his car in a classic car facility. And he says he's been doing this to prevent any further deterioration to his car. But I'm not persuaded this is a cost that he's needed to incur as a result of the insured event. So I don't think it would be fair or reasonable for me to direct Zurich to cover this cost.

I say this because Mr A has said he previously stored his car at home in his garage or under cover. I appreciate Mr A was concerned about his car deteriorating further before his complaint was resolved. But I'm not persuaded by what he's said that storing the car at his home in the same way he did before the insured event would've caused it significant further damage. So I don't think Zurich needs to pay towards the cost of this. And I see no reason to change the outcome I reached in my provisional decision.

Mr A's highlighted he's been asked for photos to support the agreed value of his car but he can't provide them while his car is waiting for repairs. As this wasn't part of his original complaint, I can't consider it here and I recommend Mr A speaks with Zurich directly about this.

Putting things right

To put things right in this case, I direct Zurich to:

- Reimburse Mr A the amount he paid to store his car at the repairers after it started charging storage costs, upon reasonable evidence of the payment.
- Reimburse Mr A the amount he paid for the engineer's report which he says was £400, upon reasonable evidence of the payment.
- Add interest to the above amounts at the rate of 8% simple per annum from the date Mr A made the payments to the date of final settlement*.
- Cover the cost of effective and lasting repairs to the outstanding accident and repairer related damage as listed above.
- Pay Mr A £300 as compensation for the distress and inconvenience caused.

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

My final decision

For the reasons given, I uphold Mr A's complaint and direct A Zurich Insurance PLC to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 January 2026.

Nadya Neve
Ombudsman