

The complaint

Mr H complains about U K Insurance Limited trading as Privilege Insurance's (UKI) service while dealing with a claim on his motor insurance policy. In particular he said it took too long to repair his car to an acceptable standard causing him financial losses.

What happened

Mr H owned a prestige car which was damaged in an accident. He claimed on his policy. UKI arranged for one of its approved repairers to repair the car in January 2024. Mr H was unhappy with the quality of the repairs. The car went back to the repairer several times over a period of months.

Eventually, at the end of August 2024, UKI arranged for one of the manufacturer's approved repairers to look at the car. But the earliest it could do so was November 2024. However, while it did take the car in the manufacturer's repairer didn't actually carry out any repairs.

After another delay UKI arranged for a different repairer to fix the car. But when Mr H got the car back he identified that some of the recent repairs were also not of an acceptable standard. After a further delay another repairer fixed the car. The repaired car was returned to Mr H in June 2025 and he then sold it.

In the meantime Mr H complained. Amongst other things he said owing to UKI's poor service he was out of pocket and it had hindered his ability to apply for a European emigration visa. He suggested that UKI should buy the car from him.

UKI provided two responses to Mr H's complaints. It agreed that it had taken too long to fix his car to an adequate standard. But it didn't agree to buy the car. It paid him a total of £1,420 in compensation and also covered the costs of a hire car, from Mr H's company's fleet of lease vehicles, while Mr H's car was with the last two repairers.

Mr H didn't think that went far enough and brought his complaint to the Financial Ombudsman Service. After he had done so UKI offered to increase its compensation payment by £330. Mr H rejected that offer. He said he was out of pocket by £29,688.

One of our Investigators looked into the complaint. She thought UKI's offer of redress was reasonable. Mr H didn't agree so the matter's been passed to me to determine.

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.

In bringing this complaint Mr H has made a number of points. I've considered everything on file. But in this decision I don't intend to comment on each and every issue raised. Instead I will focus on what I see as being the key matters at the heart of Mr H's complaint and the reasons for my decision.

It's not in dispute that the repairs took far longer than they should have done. The car had to go back to the original approved repairer more than once. And I understand it suffered further damage while at the repairers, which added to the delays. Had the initial repairer carried out the repair to an acceptable standard then the other issues would not have

happened. So it was the poor standard of the work carried out by the first repairer that caused the majority of the delays.

That said it's apparent that the work required wasn't straightforward. UKI arranged for one of the manufacturer's garages to repair the car. That arrangement came with a significant delay. It's reasonable to assume that UKI, and no doubt Mr H, believed that this would result in an effective and final repair. But, having had the car for six days, the manufacturer's garage didn't carry out any repairs. It apparently moved the car to another body shop which prepared an estimate for the costs of doing some further investigations. But neither repairer, the manufacturer's garage or the body shop, prepared an estimate for the costs of the actual repair.

Another repairer then took on the work. Once again this added to the delays. But again when Mr H got the car back it became apparent that the recent repairs weren't up to standard. One of UKI's engineers inspected the car himself. He identified additional work the car required. UKI found another repairer to do that work. The final repairer was able to bring the car back up to standard. Overall, from the original accident to the repairs being successfully completed, spanned a period of around 18 months. While the car was roadworthy, and in Mr H's possession, for much of this time that is clearly far too long. So I've thought about how this has affected Mr H and what UKI has done or offered to do to put things right.

Mr H sold his car at a trade auction in June 2025 shortly after the repairs were successfully completed. He told UKI that if it hadn't been for the repairs he'd have sold it much sooner and probably around February or March 2024. Mr H showed us evidence that an online valuation site had valued his car at around £83,600 in February 2024. But, at auction in June 2024 he'd only received £63,270 for it. Mr H believes that UKI should be responsible for the depreciation in the car's value while the repairs were ongoing.

I think it's important to point out that, like most motor insurance policies I'm aware of, Mr H's policy specifically excludes cover for any depreciation. So, any loss in the car's value is simply not something his policy provides. But I've thought about whether, given the circumstances of the complaint, UKI should go beyond the policy's terms and conditions here. I don't think it should.

Mr H sold his car at a trade price because he wanted a quick sale. He told our Investigator that if he'd used another method then there was no guarantee of a sale and the car could remain unsold. I agree that's the case but I don't think that was UKI's fault. And, if he'd chosen to sell his car using a different method, potentially he might have received a lot more for it.

By way of example I've looked at four industry recognised trade valuation guides. Those valued Mr H's car at £60,190, £71,000, £74,851 and £79,130 at the time that he sold it. So potentially, had he chosen to sell the car by a different method, it might have achieved a value towards or above the top of that range. Again, I accept Mr H's point that, if he'd chosen to sell the car using another method there was no guarantee of a sale. But it wasn't UKI's decision to sell the car at a trade price. So I don't think it would be fair to hold it responsible for any loss that materialised because of Mr H's decision to sell the car at a trade price.

Mr H has also argued that the passage of time alone will have caused his car to lose value. It's generally understood that most cars' values will depreciate over time. And I note that Mr H told UKI that had it been in a saleable state then he would have sold it much earlier. However, as far as I'm aware Mr H didn't actually put the car up for sale even though he had it back at various points. For example, my understanding is that he initially collected his car from the repairers in February 2024. He didn't return it for further rectification work required until April 2024. During that period, I'm assuming, initially at least, he thought the work was of an acceptable standard and therefore that the car was capable of being sold. Similarly after the car was returned to him in July 2024 it wasn't until August 2024 that he told UKI

about further issues with it. But, again, it doesn't appear he'd put the car up for sale in the meantime, or if he had he clearly hadn't found a buyer for it.

So I don't think it would be fair to say that, but for the issues with the repairs, Mr H would undoubtedly have sold his car at an earlier point; when that point would have been or how much he would have received for it. So I don't think he's suffered a quantifiable loss that would be fair to attribute to the poor quality of repairs. It follows that I don't intend to instruct UKI to compensate Mr H for what he perceives to be a loss in the sale value of his car.

Mr H believes we should apply an "*evidential threshold more akin to litigation*". However, we are an alternative to the courts not a substitute for them. So we don't necessarily conduct our investigations nor reach our conclusions in an identical manner to a litigation process. And if the evidence persuaded me that Mr H had suffered a financial loss then I would instruct UKI to reimburse Mr H for that loss. But for the reasons given I'm not satisfied that's the case. Further, if Mr H doesn't agree with this decision he doesn't have to accept it. In those circumstances he can take whatever steps he feels necessary, including litigating the matter, if he so wishes.

Mr H also told us that he sold the car at auction because he needed the funds in his bank account in order to assist with the application for an overseas visa. He's said it's a requirement of that application that he must have a certain amount of capital in his bank account. He said that the sale of the car would provide that capital. He referred to this visa application a number of times during the repair journey. However, he told us that he didn't instruct a firm to assist with that application until September 2025. That was around two to three months after he sold the car. And I can't see that he's actually shown us evidence of having applied for the visa. So, on balance, I'm not persuaded that the visa application was dependent upon the sale of the car.

Similarly, Mr H told us that, while he'd bought the car for cash, he'd refinanced it in order to assist with buying a property overseas. He said he took out a 36 month finance agreement in May 2023 which he was repaying at £1,660 a month. He made a balancing payment of £19,167, paying off the finance early, in June 2025. He says that if he'd been able to sell the car sooner he would have repaid the finance earlier. He calculated that he'd paid around an additional £7,310 in interest payments because he couldn't sell the car sooner.

In relation to this point I'll say first that the documents Mr H has shown us don't specifically evidence that the finance was actually secured against the car. But assuming it was, he had committed to a 36 month finance agreement, which he was responsible for repaying regardless of whether or not his car was undergoing repairs. And, as I've said above, Mr H has not demonstrated that he would have been successful in selling his car sooner.

Also it's notable that Mr H actually repaid the finance six days before he'd sold the car. So, at that point, he wasn't dependent on the car selling in order to repay the finance. Mr H's told us that the money concerned came from one of the businesses he's a director of. He also told us that he couldn't have repaid the sum earlier. But he hasn't provided evidence, beyond his comments confirming that. In those circumstances I don't think it would be fair to say that UKI's delays are the cause of any loss due to the additional interest Mr H paid on the finance agreement.

Likewise Mr H said that he'd had to continue paying for both his insurance and road tax while the car remained unsold. But he was required to pay for both of those things to keep the car on the road. And he did have use of the car for the majority of the period concerned. So, again, I don't think it would be fair to deem UKI responsible for those costs.

However, as I've said above, it's not in dispute that UKI took far too long to effect repairs to an acceptable standard. And I can understand that this must have been incredibly frustrating for Mr H particularly as new issues became apparent and the car yoyoed between himself and repairers. And he was clearly concerned that the sale of the car may affect his visa application. Also that he was potentially out of pocket as a result of the delays. However, I

think that generally UKI has acknowledged the impact of its mistakes and offered reasonable redress. It compensated him in the sum of £120 for loss of use of his car while it was with the manufacturer's garage. And at other times it paid one of Mr H's businesses £60 + VAT per day for him to lease one of its fleet cars. So I'm satisfied UKI generally kept him mobile throughout the process.

In further recognition of his distress and inconvenience UKI has paid Mr H a total of £1,420 compensation. It has also offered a further £330 compensation to bring that total up to £1,750. I'm aware that Mr H doesn't think that sum is anything like enough. And he's said that he believes that sum is inconsistent both with the length of the delay and the "seriousness" of UKI's failings.

I'll briefly explain that when awarding compensation our role is not to fine or punish a business for its errors or omissions. And when we award compensation for distress and inconvenience we look at how the individual concerned has been affected by any mistakes or omissions. So it's not the case that a more 'serious' error will automatically attract a higher compensatory award than one that some people may consider less important.

Also, when deciding whether to award compensation and if so how much, while considering the individual circumstances of each case, I also look at the awards of compensation we've made in other cases of similar seriousness that have had an equivalent impact on the individual concerned. And having thought about this very carefully I'm satisfied that the £1,750 sum UKI has paid or offered is reasonable redress in the circumstances. That's because it is an appropriate sum which fairly recognises the sustained disruption to Mr H's daily life, as well as the frustration, loss of expectation and loss of the enjoyment of his car spanning a considerable period. So I'm not going to instruct UKI to increase its offer.

Putting things right

Unless it has already done so, and assuming Mr H accepts my final decision, I require UKI to pay Mr H a further £330 compensation (making a total compensation payment of £1,750) for his distress and inconvenience.

My final decision

For the reasons given above I uphold this complaint and require U K Insurance Limited trading as Privilege Insurance to pay Mr H additional compensation of £330.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 February 2026.

Joe Scott
Ombudsman