

The complaint

Mr H's complaint is about the handling of a claim under his commercial motor insurance policy with Wakam.

What happened

I have issued two provisional decisions on this matter already, which set out the full details of what has happened in this claim and the details are well-known to the parties. I will therefore only give a brief summary of events here.

Mr H is a taxi driver. In July 2024, a tree fell and damaged his car. The repairs were covered under the policy with Wakam but it is accepted that Wakam's approved repairer did not carry out the repairs properly and also failed to carry out all the necessary repairs. This was confirmed by an independent engineer appointed by Wakam. Mr H also said the car had been with the repairer for an unnecessarily long period of time and he was without a car during this period.

Wakam offered a cash-in-lieu settlement for the cost of repairs (as assessed by its engineer) of £3,423.05 inclusive of VAT, or for its approved repairer to complete the repairs. Wakam said it will provide a replacement taxi, while the further repairs are carried out.

Mr H is concerned about being without his car while the outstanding work is done and said the approved repairer would not commit to a date for the work and confirmation of when it would be completed. The repairs have therefore still not been completed and the defective repairs not put right.

Mr H's complaint was about the repairs, the time taken to do the repairs which meant he was without a car and the continuing impact the claim is having on his no claims discount. He said the car should have been written-off.

After the matter was referred to this Service, Wakam offered to record the claim as non-fault, and, even though it may not be able to recover the costs from the owner of the tree, Wakam also says it will reinstate Mr H's no claims discount. However, it said it would need to keep the claim open while it pursued recovery from the tree owner.

I determined that the complaint should be upheld. There were three main parts to the complaint and I have briefly set out my provisional findings on each of these below:

1. Should the car have been repaired or written off as uneconomic to repair? And what needs to be done to put the car right.

I did consider that Wakam had acted fairly in not writing the car off at the outset or

after the repairs. This was because Wakam's approved repairer said it would cost just over £8,000 to complete the repairs and Wakam valued the car at £12,000 at the time. I think Wakam was entitled to rely on the estimate provided at the time it made the decision to pay for the repairs. Having considered everything carefully, I did not agree that it was unreasonable for Wakam to opt to pay for the repair of Mr H's car, rather than declare the car as uneconomic to repair.

I also did not think it is reasonable to require it to declare it as uneconomic to repair since. I said this because Wakam has already paid for most of the repairs to be carried out. While there are some additional repairs and rectification work outstanding, the car is not uneconomic to repair now. And the rectification works would not be included in the assessment of the relative cost of repairs against the value of the car.

I thought that Wakam's offer to pay for the repairs (either to be done by its approved repairer, or on production of an estimate from Mr H's chosen repairer) or to make a cash-in-lieu settlement was reasonable. Wakam said its in-house engineers estimated the work would cost £3,423.05 inclusive of VAT.

In response to my first provisional decision Mr H provided a report from another independent engineer that identified some additional matters, which had not been included in the report obtained by Wakam.

The investigator sent this evidence to Wakam and it agreed that these additional items should be covered and said the total of the works would now cost £3,842.63. This means an additional £419.58 on the previous amount proposed. I considered that this was reasonable, in the absence of any other evidence about what this would cost.

As Mr H had to commission this report and it had identified works that should have been picked up by Wakam's garage and inspector, I also determined that Wakam should reimburse him the cost of the report, which was £240.

The report also stated that Mr H had paid for a new aerial (£74), valet cleaning of the car (£30) but that it was still marked with paint, and cab licence decals (£40.50). Mr H also said he spent two hours cleaning the car before he had it valeted.

I provisionally determined that Wakam should therefore also reimburse Mr H for these items (£144.50 in total) together with interest, and pay an additional £75 for the time Mr H spent cleaning the car before having it valeted.

2. Time taken to complete the repairs and courtesy car

The car was with the approved repairer for around two months but the repairs were not completed and those that were carried out were not all done to a satisfactory standard. This is not in dispute.

I considered that the initial repairs could likely have been completed quicker than they were and Mr H has the inconvenience of having to arrange for the rectification work. I determined that some compensation was appropriate for this. I initially considered that £200 was reasonable but I increased this to £450 in my second provisional decision.

This was because Mr H had repeatedly said that the roof on his car was loose and this concerned him. The report he provided in response to my first provisional

decision confirmed the roof was loose. I can understand how concerning this would have been and the car should not have been returned to him like this. I weighed up that the report does not identify that this was dangerous and the car did pass its MOT, so it was considered roadworthy. However, I explained that I thought that this issue with the roof and the fact that Mr H has had to commission his own report to establish the additional defects, means the compensation should be increased.

The compensation also takes account of the fact Mr H will have the inconvenience of arranging the additional repairs (either with his own repairer or with Wakam's repairers).

Mr H's policy terms provided that he was entitled to a car for his personal use during this time, subject to availability, but I have seen no evidence that Wakam made any enquiries about a courtesy car during this period. While he was not entitled to a car he could use for work, he was without his car for longer than was reasonably necessary, which also impacted his ability to work. Overall, therefore I considered that £400 compensation was appropriate for this.

Mr H will also be without his car while the rectification work is done. This work is required due to the errors made by the repairers for whom Wakam is responsible. He is therefore entitled to a taxi while his car is being repaired again, rather than a car for personal use. Wakam has already confirmed that it won't be able to provide Mr H with a car that he can use for taxiing. I therefore considered that a further £400 compensation should be paid for the period that Mr H is to be without his car while the further repairs are being carried out.

Overall therefore, I provisionally determined that the total compensation should be £1,325 (£400 for lack of courtesy car during initial repairs, £400 for being without his car while the remaining outstanding repairs are carried out, £75 for cleaning the car, and £450 for the delays and trouble caused by the handling of the claim).

3. No claims discount

Wakam has agreed to update Mr H's insurance record to show a non-fault claim and reinstate his no claims discount, even if it cannot recover the costs from the owner of the tree. However, it explained that the claim will need to remain open while it pursues recovery.

Open claims are generally treated as being a '*fault*' claim by other insurers when providing quotes for their policies. Generally, an open claim will result in a higher premium because it is seen as an increased risk. So, having an open claim is similar to having a fault claim when the premium price is calculated. However, that is the position - the claim is open - so I do not think that it is unreasonable for Wakam to record it as such.

I also explained that Mr H can contact his current insurer and provide the confirmation from Wakam that this was not a fault claim and that his no claims discount is reinstated. The current insurer would then be in a position to recalculate his premium with the no claims discount being applied. I did not consider that Wakam should do anything more in relation to this.

Responses to my second provisional decision

I invited both parties to respond to my second provisional decision with any further information they want considered.

Mr H has confirmed he is willing to accept my provisional findings. He has said that his new insurer has said that when the claim is closed it will accept the reinstatement of the no claims discount and refund part of the premium but he will still have paid around £1,500 more for that year's insurance than the previous year. He says he intends to claim this from Wakam.

Wakam said that it accepts most of my second provisional decision but asks that I reconsider the compensation of £400 proposed in respect of the initial repair period. It says Mr H did not make it aware that he needed a car for personal use. He only said he needed a car for working use. While it accepts it did not ask Mr H his requirements or speak to the garage about supplying a car, it considers the compensation I proposed to be excessive.

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 have considered everything again and the comments in response to my second provisional decision. Having done so, I am not persuaded to change my provisional findings.

Wakam has acknowledged that it did not discuss the provision of a car for personal use and I think it should have done so. Mr H was without use of his car for around two months. The repairs carried out in this time were not done to a satisfactory standard and were not completed. The evidence suggests this was an excessive period for the work that was carried out. Mr H was without a car for personal use at all, which he was entitled to under the policy. And because the repairs took longer than should have reasonably been necessary he was without a car for work for longer than would have been the case. I therefore remain of the opinion that £400 compensation is appropriate for this.

Neither party has provided any other information about the other compensation amounts or the costs that I determined should be reimbursed, so I see no reason to change my mind about these and remain of the opinion that Wakam should also pay Mr H £400 for being without his car while the remaining outstanding repairs are carried out, £75 for cleaning the car, £450 for the delays and trouble caused by the handling of the claim and reimburse the cost he incurred, the engineer's report of £240, new aerial £74, valet cleaning £30 and cab licence decals £40.50.

Mr H has not provided any other evidence about the cost of the outstanding repairs and so I also remain of the opinion that Wakam should either arrange for its garage to complete the repairs, or if Mr H prefers pay him the £3,842.63 (inclusive of VAT) that its engineer has said the outstanding repairs will cost.

Finally, with regard to the premiums paid for his insurance with another provider, I note that it has confirmed it would reimburse Mr H part of his premium once the claim with Wakam is marked as closed. Mr H has said he would still be out of pocket, as the refund would not be the whole of the difference between his previous premium with Wakam and his new insurance. However, there is no evidence as far as I am aware that this is due to anything done wrong by Wakam.

As stated in my provisional decisions, I think Wakam has acted fairly in confirming the accident was not Mr H's fault but the claim will remain open, while it determines if it can recover its outlay from the tree owner. I still consider that there is nothing more that I can reasonably ask Wakam to do in relation to this.

My final decision

I uphold this complaint and require Wakam to do the following:

1. arrange for the rectification works identified to be carried out by its approved repairer; or if Mr H prefers pay cash in lieu of the outstanding repairs, in line with the estimate it received (which I understand was £3,842.63 (inclusive of VAT); and
2. reimburse Mr H for the cost of the decals and valeting (a total of £70.50), together with interest at 8% simple per annum from 2 September 2024 to the date of reimbursement; and
3. reimburse Mr H for the cost of the aerial (£74), together with interest at 8% simple per annum from 6 September 2024 to the date of reimbursement; and
4. reimburse Mr H the cost of the engineer's report (£240) on production of proof of that cost; and
5. pay a total of £1,325 compensation for the distress and inconvenience caused by the handling of this claim, including not being offered a courtesy car that he could have used for personal use while the car was with Wakam's approved repairer; for the repairs not being carried out properly by Wakam's approved repairer; for the time these repairs took; for being without his car when the rectification work is done; the trouble having to get his own expert report; and for the time spent cleaning his car; and
6. update Mr H's insurance record to show this is a non-fault claim and reinstate his no claims discount. It should provide evidence of this to Mr H as soon as possible.

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

Harriet McCarthy
Ombudsman