

complaint

Mr G complained that UK Insurance Limited (trading as Direct Line Car Insurance) mis-sold him his motor insurance policy and then handled his claim poorly. He wants compensation for the expenses he incurred as a result.

background

Mr G planned to take his family abroad for a holiday. So he upgraded his cover with Direct Line. He said it told him he'd get the same cover as he would in the UK. But when he had a car accident abroad he found that car hire wasn't available. So he had to pay to return his family home.

Mr G said Direct Line had either failed to fulfil his policy or deliberately mis-sold him the extended cover. He was also unhappy with the way Direct Line handled his claim. He asked it to reimburse the costs he had to pay when it refused to provide the services he says he'd already paid for (£500). Also, he wants it to pay him compensation for the delay and poor way he says his claim was handled.

Direct Line said Mr G was only entitled to a hire car in the UK and not abroad. But it agreed he wasn't kept updated and that there were delays and so it offered him £60 compensation.

After Mr G brought his complaint to us, Direct Line agreed that it was reasonable for Mr G to expect a hire car to be provided abroad under the policy. It offered to pay for his costs to return to the UK. Mr G accepted this. But he said his claim had also been handled badly.

Our adjudicator recommended that the complaint should be upheld. She thought a lot of the issues Mr G complained about were due to the incident happening abroad. This unfortunately meant it took slightly longer for Direct Line to resolve them and this caused more upset and stress to Mr G. So she thought £60 compensation wasn't enough. She thought Direct Line should pay Mr G £150 compensation in total.

Direct Line agreed to do this. But Mr G thought it should pay him more. He thought the time Direct Line took to settle his claim was excessive and this caused him financial losses.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I was sorry to hear about Mr G and his family's upset and their spoiled holiday. Mr G first had to get his family home safely. Then it took Direct Line three months to settle his claim. He had to replace his car with a smaller one and this doesn't suit them. I can see that this must have been a frustrating and stressful experience.

Direct Line has agreed that it was reasonable for Mr G to expect that he would be provided with a hire car abroad. It had confirmed to him that he could expect the same level of cover as in the UK when he paid the extra premium. So it offered to pay Mr G's costs for returning his family home. Mr G accepted this offer, so I won't consider this part of his complaint further.

But Mr G said that his claim was handled poorly when he reported the accident. The phone numbers given to him didn't work abroad. His car was left abroad with the V5 registration document, as required. But he was then pursued for this many times, which was frustrating. Direct Line's call handlers didn't know where his car was. Direct Line declared the car a total loss two months after the accident but its agent abroad had told Mr G this four days after the accident.

I can appreciate that this must have been very frustrating for Mr G. The adjudicator thought Direct Line should pay him a further £90 for these delays and poor service. I can understand that Mr G doesn't think this is enough. But I don't agree with him.

I appreciate that Mr G knows people who have had their claims sorted out more quickly. But his accident happened abroad and I think some allowance should be made for this. I think £150 compensation in total for the poor service he received is reasonable. This is in keeping with the level of award we'd recommend.

Mr G said that he had to take out finance to buy a new car. But I can't hold Direct Line responsible for this.

my final decision

My final decision is that I uphold this complaint. I require UK Insurance Limited (trading as Direct Line Car Insurance) to do the following, as it's agreed to do:

1. Pay for Mr G's costs to return his family home to the UK, subject to him providing reasonable evidence of these costs.
2. Pay Mr G a total of £150 (£90 in addition to the £60 already offered) compensation for the delays and poor service in handling his claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 29 January 2016.

Phillip Berechree
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