

## **complaint**

Mr H had a breakdown assistance policy with Great Lakes Reinsurance (UK) SE. He says its agents damaged his car and caravan following a breakdown.

## **background**

Mr H says his car was damaged whilst in a holding area waiting for repairs in a garage abroad. Petrol was stolen from its tank. His caravan had to be brought back to the UK because of the car's breakdown. The company doing that ("Firm A") said during transit a wheel bearing had failed and caused damage to the caravan.

Mr H noted later noted minor damage ('dinks and dents') in various places on the caravan. He said it was formerly in immaculate condition. Great Lakes said the minor damage was in line with the age of the caravan. It said it would pay for the damage to the car, plus the missing petrol. It agreed to repair a crack to one of the caravan's panels. It replaced the caravan's A frame cover, hitch lock and jockey wheel, as well as the axle / wheel bearing. It also offered Mr H £100 compensation. Mr H thought he should be paid the pre-incident value of the caravan.

Our adjudicator thought it likely the minor damage was in line with the caravan's age. Mrs H provided a copy of the garage's booking in-sheet. No damage was recorded on it. Firm A's collection sheet was produced later and highlighted minor areas of damage. Mrs H thought that showed the damage happened when it was in Firm A's control. Great Lakes didn't agree it was responsible. It also said the minor damage couldn't be repaired. In the end, Great Lakes agreed to pay Mr and Mrs H £1,000 compensation.

Mr H didn't accept the offer. Mrs H said to effect repairs, three panels on the caravan would have to be replaced, at a cost of around £1,500 each. Mr H also wanted payment for loss of use / enjoyment of the caravan and storage costs. The adjudicator didn't consider these reasonable.

As there was no agreement, the complaint was passed to me for review.

## **my findings**

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

It seems the initial cause of damage to the caravan was the failure of a wheel bearing. That happened when the car was being towed in the UK. Had the car not broken down, Mr and Mrs H would have been towing it themselves. There's nothing to show that Great Lakes' agent did anything to cause the wheel bearing to fail, although Mr and Mrs H have speculated that Firm A must have done something wrong.

Firm A needn't have fixed the initial damage, but did so, without accepting any blame. I understand why Mr and Mrs H then wanted the caravan inspected by a specialist ("WH"). It had been six weeks since she and Mr H saw it, and damage to it had been reported. When the caravan was left with WH, it seems some of the damage hadn't been fixed (for example, the crack to the front). Mrs H was understandably distressed by that. She decided she didn't want any further repairs done and didn't want the caravan back. At this point Mrs H didn't notice the dinks and dents she and Mr H later found.

Firm A said it would make good the damage and replace items such as the A frame cover. I think that was a reasonable response to what had happened, and to Mr and Mrs H's concerns. It seems Firm A did what it thought best to minimise disruption for Mr and Mrs H once the wheel bearing failed. In hindsight, it might have been better had Firm A simply reported the failure to Mr and Mrs H, so they could deal with it as they saw fit. That doesn't mean it did anything wrong in acting as it did.

I appreciate Mr and Mrs H say the caravan was in immaculate condition before it was left in the hands of Firm A, but I don't think there's sufficient evidence to show that. I'm sure it was very well cared for by them, but given its age, I think it's more likely than not that there was *some* wear and tear. When the adjudicator asked WH about it, they said there was no way of knowing how or when the minor damage occurred. There's no obvious accident damage and they couldn't say if the dinks and dents were fresh or not.

Mrs H has put great emphasis on the condition reports from the garage and Firm A. The garage was looking at repairing the car, not the caravan, so I think it's probably fair to say it concentrated on the state of the car. I'm not sure any minor damage to the caravan would have been obvious or noted, especially if the garage wasn't looking for it.

The condition sheet from Firm A shows a number of areas of small damage. The sheet's undated, but presumably Firm A would have completed it when it took the vehicle from the garage. If so, that shows the damage was there before Firm A had control of the caravan. However, there's a discrepancy on the sheet, because it seems the crack in the front of the caravan's shown. That didn't happen until after the caravan was back in the UK. Unless it was added later (which shouldn't have happened) the sheet wasn't completed at the time of collection. That leaves the question of where and when the damage occurred open.

I think Great Lakes has to accept that some of the minor damage may have been caused by Firm A, though I don't think it's possible to say how much. I also think Firm A caused problems by not dating its condition report and probably not completing it when it should have done. Mr and Mrs H were distressed to find that the caravan had been damaged and further distressed not to be told where it was in the UK. Since not all the damage was fixed, Mrs H was very upset when she first viewed the 'repaired' caravan.

I don't think there's sufficient evidence of damage caused by Great Lakes' agents to justify it paying Mr and Mrs H the pre-incident market value for their caravan. It agreed to repair or replace all the major damage, although there was nothing to show it was to blame for it. Mrs H says the caravan's integrity has been damaged, and there could be future problems with it. I know that's her genuine opinion, but even if that's the case, I don't think she and Mr H have shown Great Lakes is responsible.

I think a substantial sum in compensation is fair. Great Lakes agents may have caused some minor damage to the caravan. It certainly dealt with the initial damage in a way that caused Mr and Mrs H distress. Had the paperwork been better, it would have been easier to see where and when the minor damage occurred. I also think Mr and Mrs H should have been kept fully informed of the whereabouts of the caravan and consulted about repairs.

I don't think compensation for the loss of use or enjoyment of the caravan would be fair. As far as I can see, Mr and Mrs H could reasonably have agreed to the offer of repairs. They could have taken the caravan whilst the debate about the minor damage continued. They chose not to do that. Mrs H said she'd be embarrassed to have the caravan on her drive. I

don't think there's any good reason why Great Lakes should pay the price for that in storage charges either.

Mrs H feels that the discrepancy with the form is a serious matter, perhaps amounting to fraud. She feels Great Lakes employees spoke about her privately in a derogatory way. These aren't issues we can deal with. I know Mr and Mrs H are bound to be disappointed with my decision, but it doesn't prevent them from taking any further action they feel necessary elsewhere.

### **my final decision**

My final decision is that Great Lakes Reinsurance (UK) SE should implement the proposed settlement. It should pay Mr H £1,000 (in addition to making the agreed repairs).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 November 2015.

Susan Ewins  
**ombudsman**