

complaint

Mr H complains that Enterprise Insurance Company plc gave poor service under his taxi insurance.

background

Mr H reported fire damage to his taxi. Enterprise eventually decided he'd had an electrical problem not covered by the policy. Its salvage agents returned the vehicle to Mr H – but with further damage. Mr H complained that Enterprise had delayed him getting back on the road.

The adjudicator recommended that the complaint should be upheld in part. He thought that – although Mr H hadn't made a claim - Enterprise was responsible for delays and further damage. The adjudicator recommended that Enterprise should:

1. cover the cost of hiring a plated vehicle between 27 September 2014 and 9 October 2014, provided Mr H can provide receipts or confirmation from the hire company;
2. record a notification only;
3. pay Mr H £250 for trouble and upset.

Enterprise disagrees with the adjudicator's opinion. It says, in summary, that it didn't cause delay for the period the adjudicator thought.

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 was late August 2014 when Mr H reported fire damage.

Mr H chose the garage which gave an estimate for the cost of the repairs. Based on that, Enterprise decided the vehicle was beyond economic repair. Mr H arranged the removal of the taxi meter. Enterprise's salvage company took the taxi away.

But Enterprise's engineer then said there had been an electrical fault – so the policy didn't cover the repair. I think Mr H accepted that.

About three weeks after the fire, Mr H got the taxi back to his repairer. I accept that Enterprise should have returned it at least a week sooner. And in the meantime its salvage company had caused further damage to the vehicle including damage to the roof, exhaust and prop shaft.

From what the repairer has said, I find it likely that – but for the delay and further damage – Mr H would have got his taxi back on the road by about the end of September.

On about 9 October, Mr H went abroad for about eight weeks.

While he was away, the repairer fixed the electrics at Mr H's expense and the further damage at Enterprise's expense.

Two days after he got back, Mr H collected the repaired taxi. Enterprise compensated Mr H £90 for those two days.

I accept there was some difficulty about the registration document. But I don't accept that this ought to have prevented Mr H getting the road tax he needed to get the vehicle back on the road.

Despite the adjudicator's opinion, Mr H still hasn't provided invoices or proof of payment for a suitable substitute vehicle in the weeks before he went away.

But I think Enterprise was responsible for delay causing loss of use of the taxi for the first eight days in October 2014. So I think it's fair and reasonable to order Enterprise to reimburse him, subject to Mr H providing proof of payment. I will also order it to add interest at our usual rate.

Enterprise also provided conflicting information about whether it regarded Mr H as having made a claim. In the end he didn't bear a policy excess.

But I think that – by the shortcomings for which I have found it responsible – Enterprise caused Mr H extra inconvenience and upset at an already difficult time for him. I think it's fair and reasonable to order Enterprise to pay Mr H £250 for this.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I order Enterprise Insurance Company plc to:

1. provided that Mr H sends it documentary evidence of proof of his payment of the cost of hiring a taxi between 1 and 9 October 2014, reimburse such payment plus simple interest at a yearly rate of 8% from the date of payment to the date of reimbursement. If it decides it has to deduct tax from the interest element of my order, it shall send Mr H a tax deduction certificate when it pays him. He can then use that certificate to try to reclaim the tax, if he's entitled to do so;
2. not treat Mr H as having made a claim for repair of the damage to his taxi;
3. pay Mr H £250 for trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 February 2016.

Christopher Gilbert
ombudsman