

The complaint

Mr W complains about how his insurer, UK Insurance Limited trading as Direct Line (Direct Line), handled a claim under his motor insurance policy and the time taken over repairs.

Any reference to Direct Line in this decision includes their agents.

What happened

In May 2023 Mr W was involved in an accident in which a third party driver passed out while driving and collided with Mr W's vehicle on entering a roundabout, before hitting a wall. Mr W contacted Direct line to tell them about the accident and lodge a claim.

However, Direct Line had problems finding a suitable repairer to collect Mr W's vehicle and repair the damage (Mr W's vehicle was electric). There were also problems in obtaining an estimate for the cost of repairs and Direct Line approving the estimate. The estimate was initially provided at the beginning of June 2023, but for various reasons wasn't approved until July 2023, with repairs then proceeding and Mr W's vehicle was returned to him in mid-July.

There were also issues with courtesy cars. The first, while delivered shortly after the accident and being electric, was smaller than Mr W's vehicle and arrived damaged. The second was larger (Mr W was planning a family holiday in mid-June) but wasn't electric, which Mr W had requested given his own vehicle was electric and he had access to free charging. Direct Line offered £75 compensation for the first courtesy car being too small and arriving damaged (which Mr W accepted).

Given the issues he'd experienced, Mr W complained to Direct Line. As well as the time getting his vehicle repaired and issues with courtesy cars, he was also unhappy at the communication with Direct Line, including calls being cut off, transferred unexpectedly and not getting called back. He'd also spent a lot of time on hold when contacting Direct Line. He was also unhappy at how Direct Line had supported him in seeking to pursue a legal case for injuries he sustained in the accident.

In their final response Direct Line acknowledged Mr W's concerns. On the courtesy car, they accepted the first vehicle was smaller than Mr W's vehicle and the second wasn't electric (Direct Line said their courtesy car supplier only stocked a small number of electric vehicles). While Direct Line wouldn't normally reimburse fuel costs incurred by a policyholder when provided with a courtesy car, given the issues of poor communication with Mr W they agreed to reimburse Mr W's fuel costs (£78.40). Direct Line also acknowledged issues with Mr W being cut off during calls, blind transferred and actions promised not being carried out. They also accepted issues finding a garage to carry out repairs to Mr W's vehicle and collecting it. On the issue of providing legal support for pursuing Mr W's injury, while Mr W hadn't taken out the optional legal expenses cover as part of the policy, Direct Line said they would normally offer some assistance. However the original instruction to their Legal Team was sent correctly, meaning Mr W had to follow up.

In recognition of the poor experience and service they'd provided to Mr W, Direct Line awarded £300 in compensation, in addition to reimbursement of his fuel costs.

Mr W then complained to this Service. He said the repairs to his vehicle took far too long and it seemed Direct Line weren't equipped to deal with repairs to electric cars. He was also unhappy with the courtesy car provided, which had to be changed as he'd requested an electric vehicle as he had access to free charging. Direct Line's communication was poor, including calls being cut off or transferred for no apparent reason and failing to call him back several times. His mental health and other health issues had been significantly affected and Direct Line had shown no understanding or empathy. He didn't think the compensation offered by Direct line properly reflected the distress and inconvenience he'd suffered.

Our investigator didn't uphold the complaint, concluding Direct Line had acted fairly. On the time taken for repairs to be arranged, he noted Mr W's vehicle had arrived at the nominated repairer a week after the accident, but it took time for the repairer to produce an estimate and send it to Direct Line. However, the investigator thought Direct line could have done more to expedite the process and there were avoidable delays in approving the estimate.

On the courtesy car issues, the investigator noted the policy terms and conditions (for the level of courtesy car cover taken out by Mr W) stated the courtesy car might not be of similar size or style to a policyholder's vehicle – it wouldn't be a 'like for like' vehicle compared to the policyholder vehicle. Nor did the policy guarantee an electric vehicle. Direct Line did replace the first courtesy car with a larger vehicle, although it wasn't electric. But they'd agreed to reimburse Mr W's fuel costs.

On the communication and service issues, the investigator noted the number and duration of calls made by Mr W and that Direct Line accepted their communication and service had been poor.

Taking all these points into account, the investigator thought the £300 compensation offered (in addition to the reimbursement of fuel costs and the earlier compensation for the first courtesy car issues) was fair and in line with what this Service would award under our own published guidelines.

Mr W disagreed with the investigator's view and requested an ombudsman review the complaint. He raised a number of specific issues with the view of the investigator and the timeline of events. He reiterated his view that the delays in arranging the repair of his vehicle were easily avoidable and, in his view, amounted to negligence on the part of Direct Line. He also didn't think the investigator had taken account of what he'd said about the impact of what had happened on his mental health, in terms of exacerbating his health problems.

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'd first want to say I recognise what Mr W has told us about his mental health and other health issues, and the impact of what has happened has had on him. I also appreciate the specific circumstances of the accident would have been particularly stressful for Mr W and from what I've seen, the injuries he sustained when his vehicle was hit by the third party vehicle. I've borne these points in mind when deciding, as is my role here, whether Direct Line have acted fairly towards Mr W.

In considering Mr W's complaint and the specific issues he's raised, I've looked at all the evidence and information provided by Mr W and Direct Line. This includes the detailed timeline of events Mr W provided to Direct Line when making his complaint to them and the points and information he's provided when making his complaint to this Service. I've similarly

considered the detailed case notes provided by Direct Line, While I may not comment specifically on every aspect of what happened in this decision, I have taken all the points made by Mr W and Direct Line into account.

An issue raised in Mr W's complaint to Direct Line (and in their final response) relates to Mr W sustaining an injury in the accident and legal support for pursuing a case for the injury. In their final response, Direct Line say that while Mr W hadn't taken out the optional legal expenses cover as part of the policy, they would normally offer some assistance. However the original instruction to their Legal Team was sent correctly, meaning Mr W had to follow up. This issue wasn't raised in Mr W's complaint to this service, and from what I've seen he was going to pursue the issue through the legal expenses cover of his home insurance policy – not his motor insurance policy with Direct Line. Given this, I've not considered this aspect further.

Coming back to Mr W's complaint to this Service. I think the three main issues are: the delays in arranging the repairs to his vehicle; issues with the courtesy car(s) provided; and the communication and service provided by Direct Line. I'll cover each issue in turn.

Repairs to Mr W's vehicle

From the evidence and information I've seen, the first repairer engaged by Direct Line couldn't immediately collect Mr W's vehicle. And the second was some distance from Mr W's address and wasn't a garage Mr W felt confident was suitable to repair his vehicle. It then appears Mr W contacted the manufacturer of his vehicle, and they recommended a repairer (C). Mr W told Direct Line he wanted C to carry out the repairs to his vehicle.

Direct Line arranged for Mr W's vehicle to be taken to C, five days after the date of the accident. However, there were delays in C providing an estimate to Direct Line and it not being sent to the right system within Direct Line. Direct Line approving the estimate, which didn't happen until mid-July. From what I can see, some of those delays were down to C, with an estimate not received and allocated for review by Direct Line's engineer until mid-June 2023. There's also mention of C having to back order parts needed for the repairs.

However, some are attributable to Direct Line, with capacity issues with their engineers meaning the approval process took longer than it otherwise would. The indications are that the repairs were then completed to him around mid-July 2023.

Given the timeline, I've concluded Mr W did experience delays and inconvenience in his vehicle being repaired, particularly the time taken for C to provide an estimate and for Direct Line to review and approve the estimate. I'll consider this when I come on to the issue of compensation for the distress and inconvenience suffered by Mr W.

Issues with courtesy car(s)

When Mr W contacted Direct Line to tell them about the accident, he requested an electric courtesy car, given his vehicle was electric and he had access to free charging. Direct Line, through their courtesy car agent (A) initially provided a courtesy car that was electric – but smaller than Mr W's own vehicle. Mr W accepted this as he didn't anticipate repairs to his own vehicle taking too long.

Looking at the policy terms and conditions relating to courtesy cars, for the level of cover taken out by Mr W under his policy, the relevant terms are as follows:

“About Guaranteed Hire Car

The Guaranteed Hire Car will be a small hatchback, so may not be of a similar size or style to your car."

"What we'll do

Guaranteed Hire Car is designed to keep you mobile while your car is being repaired, by providing you with a hire car.

Your hire car may not be the same as your car in terms of its size, type, value or status."

These terms make it clear that a courtesy car will, in the first instance be a small hatchback and may not be the same type as a policyholder's vehicle. In this case, A initially provided a car smaller than Mr W's vehicle – though it was electric (which the above terms don't guarantee). So, I think A provided a courtesy car in line with the wording of the policy. However, as well as being smaller than his vehicle (and so unsuitable for Mr W's family) it appears the car was damaged when delivered and Mr W wasn't happy at the service he received from A. The detailed timeline he's provided (and Direct Line's case notes) indicate he was offered £75 compensation by Direct Line, which he accepted – although Direct Line don't mention the sum in their final response. However, I think it was a fair and reasonable offer in the circumstances.

As repairs to his vehicle hadn't taken place by the time Mr W was due to take his family on holiday, he asked Direct Line (A) for a larger courtesy car. While the policy terms referred to above don't provide for a courtesy car to be equivalent in size (and other factors) to a policyholder's vehicle, Direct Line agreed to provide a second, larger courtesy car. However, this wasn't electric – meaning Mr W had to put fuel in the vehicle. While this meant additional cost to him, compared to the free charging he had access to for his own vehicle, as part of their final response Direct line agreed to reimburse him for the cost of fuel he'd incurred (£78.40). As the policy terms don't provide for this, nor that an equivalent size courtesy car is provided, I think Direct Line's actions are fair and reasonable, so I won't be asking them to take any further specific action with respect to the issues about courtesy cars – although I will consider the issues about communication, including with A as Direct Line's agents when I come onto that aspect of the complaint.

Communication issues and service provided

Mr W's timeline includes a detailed record of calls made to/from Direct Line (and to A and C). This also includes occasions when he was cut off or transferred elsewhere. And when Direct Line said they would call him back (or ask A to call him back or follow up). Direct Line have accepted there were issues with Mr W being cut off during calls, blind transferred and actions promised not being carried out.

Taking all these points together, I've concluded Mr W suffered distress and inconvenience from the way Direct Line communicated with him. Together with my conclusions about avoidable delays in repairs to his vehicle, I've then considered what would be fair and reasonable in the circumstances of the case.

It's clear Mr W has suffered considerable inconvenience from what's happened, and he's had to spend a considerable amount of time and effort on the issues that arose from the date of the accident through to his vehicle being repaired and returned to him. In considering the impact on him, I've also taken account of what he's said about his mental health and other health issues and how they have been affected by what happened.

I've thought carefully about what fair and reasonable compensation for distress and inconvenience would be, in the context of our published guidelines on how we approach compensation in these cases. Direct Line awarded £300 compensation in their final response and have confirmed this was in addition to the earlier £75 compensation for issues with the initial courtesy car. Taking account of all the circumstances of the case, I think £375 is fair and reasonable, so I won't be asking Direct Line to make any further award. They've also said both amounts have been paid to Mr W, as well as the £78.40 fuel cost reimbursement.

My final decision

For the reasons set out above, my final decision is that I don't uphold Mr W's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 February 2024.

Paul King
Ombudsman