

The complaint

Mr W complains about U K Insurance Limited's ("UKI") decision to use non-manufacturer parts to repair his car when handling his claim under his car insurance policy.

What happened

Mr W says his car windscreen was damaged after a stone chipped it. Mr W says this extended to a crack, so the windscreen needed replacing. Mr W says his car is less than three years old, and still within the manufacturer's warranty period. Mr W says his warranty booklet says any replacement parts need to be original manufacturer parts in order to preserve the warranty. Mr W made a claim to UKI, but they offered to replace the windscreen with a non-original manufacturer windscreen. Mr W was concerned this would invalidate his warranty which, as a consequence, would reduce the market value of his car, so he complained.

UKI responded and explained Mr W's policy booklet sets out the steps UKI are able to take in the event a claim is made for a windscreen replacement. They also referred to a section which allows them to repair Mr W's car with parts that haven't been made by his car's manufacturer.

Our investigator looked into things for Mr W. She thought UKI hadn't acted unfairly in offering to replace Mr W's windscreen with a non-original manufacturer windscreen. Mr W disagreed so the matter has come to me for a decision.

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.

Having done so, I've decided not to uphold the complaint. I understand Mr W will be disappointed by this but I'll explain why I have made this decision.

My starting point is Mr W's car insurance policy booklet. I've looked at the policy booklet Mr W says UKI provided to him. This sets out the terms and conditions and, in the 'Glossary' section, it defines an 'Approved windscreen supplier' as, *"A repairer approved and authorised to repair or replace your car's windscreen."* There's then a section headed 'Windscreen repairs' which says, *"If you arrange windscreen repairs or replacement with someone who isn't an approved windscreen supplier, you don't need to get our approval beforehand. However, we'll only cover a limited amount..."*

It then refers to another section which covers 'Windscreen damage' and under the heading 'How much am I covered for?' it says, *"We'll provide cover up to the amounts shown in 'what your cover includes' on page 8."* Page 8 lists different types of claims and says, *"We'll provide cover up to the amounts shown below..."* Under the section 'Windscreen damage' it says, *"Market value"*. There's a separate section headed 'Replacing parts in your car' which says, *"We may decide to repair your car with parts that haven't been made by your car's manufacturer, but that are of a similar standard."*

Taking this into account, I think the policy sets out the steps UKI will take in the event of a claim for windscreen damage and what they'll pay depending on whether Mr W chooses to instruct an approved supplier or a different supplier. The policy also confirms UKI may use parts that haven't been made by Mr W's car's manufacturer. Given that UKI have proposed settling the claim in line with the terms and conditions of the policy, I can't say they've acted unfairly.

I understand Mr W says his understanding of the terms and conditions of the policy are that his car would be repaired to the value it had prior to the incident. He says, by replacing a part that invalidates his warranty and therefore impacts on the value of his car, UKI are breaching the terms of the policy. He also says, by replacing the windscreen with a non-original manufacturer windscreen, UKI aren't repairing his car to market value. I acknowledge Mr W's points but, in taking the steps they have to settle Mr W's claim, I don't believe UKI have acted against the terms of the policy. I say this because, while I accept there is reference to 'market value' when the policy talks about Mr W using UKI's approved windscreen supplier, this same section says UKI will provide cover "*up to*...[market value]". So, by using a non-original manufacturer windscreen, I can't say UKI have breached the terms of the policy.

I can see Mr W believes the terms are misleading. The Insurance Conduct of Business Sourcebook ("ICOBs"), under ICOBS: 2.2.2 R requires information from a business to be clear, fair and not misleading. Where policy terms and conditions are open to differing, yet reasonable, interpretations, I would look favourably on the party that hasn't drafted the wording. In this case, Mr W's car's windscreen needed replacing and I think the policy terms are clear on the steps UKI will take when looking at replacement parts. It says UKI may decide to repair Mr W's car with parts that haven't been made by his car's manufacturer – and that's what they've done here. So, I don't believe the terms and conditions are misleading or ambiguous about the steps UKI will take.

Mr W says he's also unhappy about UKI's handling of his complaint. Complaint handling isn't a regulated or other covered activity. So as a general rule, and in line with the law, if the complaint is solely about complaint handling, we wouldn't be able to look into things. Where complaint handling forms a part of a customer's complaint, then we can take into account complaint handling when looking at the overall customer experience. In this case, I can't say the issues which Mr W raises about the complaints handling are an extension of the issues which relate to regulated activities, so I can't look into the complaint handling part of the complaint.

I wish to reassure Mr W I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 February 2024.

Paviter Dhaddy
Ombudsman