

The complaint

Mr F complains about how Royal & Sun Alliance Insurance Limited trading as More Than ("RSA") handled a claim on his motor insurance policy. And he says the policy was mis-sold.

What happened

Mr F had car insurance that was underwritten by RSA. In January 2023 he made a claim after he was involved in an accident.

RSA accepted the claim and offered a repair at its preferred repair garage. However Mr F wasn't happy with this as he said he had a manufacturers warranty for the vehicle that required him to only have repairs carried out at garages that had been approved by the manufacturer.

RSA agreed to send the car to a manufacturer approved garage, however it said as this wasn't one of its preferred garages then there would be a higher excess to pay and Mr F wouldn't be entitled to a courtesy car. It said this was set out in its policy terms.

Mr F wasn't happy with this. He said he was required to use a manufacturer approved garage under his warranty and if he didn't, the warranty would be void. So he said he didn't have any choice but to use one.

Due to the restriction, Mr F arranged a courtesy car directly with the manufacturer. He asked RSA to arrange temporary insurance to cover this car. However this took some time to arrange, and once it was in place, it left him with only eight days of cover.

He made a complaint about how RSA had handled the claim. He also said that he felt the policy had been mis-sold to him, as it wasn't suitable for his needs in relation to the requirements of his warranty.

RSA upheld his complaint, as it said it agreed there had been some delays to progressing his claim. It said it would extend the temporary insurance for his courtesy car further and offered £100 compensation to apologise.

However it didn't agree the policy was mis-sold. It said it had been bought through an aggregator site. And Mr F had been provided with all the paperwork in order to ensure the policy was suitable for him. And it said the terms relating to using its preferred garage were clear in these documents.

Mr F didn't think this was a fair resolution and brought his complaint to this service.

Our investigator recommended the complaint be upheld. While she didn't think the policy had been mis-sold, she thought RSA should have allowed Mr F to use a manufacturer approved garage without applying the additional excess. So she said it should refund the additional £200 paid. She also thought it should have provided a courtesy car in the circumstances and thought it should pay an additional £150 to apologise for this.

Mr F didn't accept our investigator's outcome as he said he thought the policy had been mis-sold and RSA didn't explain the restrictions in the policy clearly enough. RSA didn't accept the outcome as it said the policy made it clear that where its preferred garage isn't used, there would be no courtesy car and a higher excess.

As agreement wasn't reached, the complaint has come to me to decide.

In October 2023 I issued a provisional decision, in which I said:

'Sale of the policy

I understand Mr F is frustrated that the insurance policy he bought from RSA offers a repair at its preferred garage as standard. And it doesn't guarantee this will be a repairer that is approved by the manufacturer.

Mr F bought the policy online, initially through a third party aggregator site. He entered the details of his requirements, and this then transferred him to RSA's own website to complete the purchase. As the policy was bought through a third party, RSA don't have the details of what was shown to him at the start of the sale. However it has a responsibility to ensure he was provided with clear information about the policy so that he can make sure it meets his needs. He then has 14 days to cancel the policy after the purchase if he decides it doesn't. RSA has provided copies of the documents that were sent to Mr F when he took out the policy. The cover sheet of these stated as follows:

'We'll give information to help you make an informed choice but won't provide advice on whether our products are suitable for you.'

From this, it's clear that the sale wasn't an advised one. That means RSA provided details of the policy in order for Mr F to decide if it's suitable for him, rather than making a recommendation based on his needs.

The policy document was also sent to Mr F and this contained the following wording. The key facts document stated:

'The total payable on the Accidental Damage, Fire and Theft excesses is increased by £200 if you do not use one of our recommended repairers.'

And the full policy wording states:

'We won't be able to supply a guaranteed hire car if you don't use our recommended repairers unless Guaranteed hire car upgrade has been selected.'

It is usual that a motor insurance policy will require the vehicle to be inspected and repaired at the insurer's preferred garage. This is the case for the vast majority of motor insurance policies. So this isn't an unusual term that I would expect RSA to highlight in addition to it appearing in the policy document.

And as RSA sent the documents to Mr F when he purchased the policy, he had 14 days to read over them to check it was right for him.

I understand Mr F also has a warranty with the manufacturer, and this comes with its own requirements. However this isn't something I'd expect RSA to consider when offering the policy. As I've said, the sale was non-advised, so it wasn't for RSA to decide if the policy met Mr F's needs. As Mr F knew there were requirements under the warranty with the manufacturer, the onus would be on him to make sure the policy with RSA was compatible with this and that he was happy with the terms. As I'm satisfied RSA provided him with clear information at the point of sale to enable him to do this, I don't agree it did anything wrong when Mr F took out the policy.

Handling of the claim

As I've said above, I don't consider the term in Mr F's policy relating to RSA using its preferred garage to be unfair, it follows that it wasn't unfair for it to apply it in Mr F's claim. I appreciate that Mr F felt he was bound to using a garage that was approved by the manufacturer, in order to ensure he didn't prejudice his warranty. And this is understandable. However RSA allowed him to use a garage of his choice, so he was able to ensure the warranty was unaffected. And I think that's reasonable in the circumstances.

I understand his frustration that using a garage of his own choice meant he had to pay an additional excess and wasn't entitled to a courtesy car. But this is laid out in the policy terms. And just because Mr F has another warranty with a different provider that conflicts with this term, I wouldn't expect RSA to depart from the terms of the policy. So I don't agree its acted unfairly by charging an additional excess and not providing a courtesy car.

However I can see there were some delays caused by RSA. In particular it took some time to review the report carried out by Mr F's chosen garage, which delayed the resolution of the claim and meant Mr F had to chase RSA. Further it caused delays in relation to providing the temporary insurance. And Mr F has said he was given wrong information about the policy over the phone. In response RSA extended the temporary cover beyond its usual maximum extension of 28 days. And I think that's fair in the circumstances. It's also offered £100 compensation to apologise for the delays and poor service throughout the claim. This is in line with what I would have recommended if it hadn't made an offer, so I'm satisfied this is fair in the circumstances. I therefore am not minded to ask RSA to do anything more.'

Response to my provisional decision

RSA responded to say it accepted my provisional decision.

However Mr F didn't accept it. In summary he said:

- He didn't agree that RSA had provided clear information at the point of sale regarding the use of a garage that may not be approved by the manufacturer.
- RSA should have warned him that the policy may be at odds with a manufacturers warranty as many people have them.
- RSA's failure to provide a courtesy car had a great impact on his personal and professional life and this hadn't been recognised in my 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 considered Mr F's comments, alongside everything already available on file, I haven't changed my position on the complaint.

Mr F has said that he didn't go to RSA for advice on a policy, however the fact that the policy only provided full cover when using its own preferred garage was a significant term and should have been made clear to him. I explained in my provisional decision that I could see the policy documents stated that RSA would use its preferred garage, and how policy cover changed if the policyholder chose their own garage instead. And I still think this was sufficient. Most insurers will use preferred garages for repairs, this isn't an unusual policy term. And the policy still provides cover if a policyholder opts to use their own preferred garage, it's just at a higher excess and a courtesy car isn't provided. So I don't consider the term to be either significant or unusual. Therefore under FCA rules, RSA weren't obliged to highlight this feature outside of the policy documents. As the document itself explains this limitation, I think RSA did enough to make this clear.

I understand Mr F feels strongly that as the policy was at odds with his warranty, this should have been explained at the point of sale. However RSA sold the policy as part of a non-advised sale, so it wasn't obliged to ask about any other policies Mr F may have. Or point out possible areas of conflict. Mr F was aware of the manufacturers warranty, and had the opportunity to ensure the RSA policy was suitable for his needs. Therefore the onus was on him to identify any conflicts. So I don't think RSA should have done any more.

Mr F has also said that not having a courtesy car had a bigger impact on him than I recognised in my decision. While I don't doubt this would have caused him distress and inconvenience, the fact he didn't receive a courtesy car is because he used his preferred garage. And this was explained in the terms and conditions of the policy. So I can't say RSA acted unfairly by not offering a courtesy car, and therefore won't ask them to award compensation for the impact.

Mr F has quoted a number of FCA rules and some legislation that he considers RSA to have breached. While I haven't commented on each of these directly, when reaching my decision I have considered the relevant rules and legislation as well as what's fair and reasonable in the circumstances of this complaint. And I'm satisfied RSA has acted fairly.

Based on this, I see no reason to depart from the findings laid out in my provisional decision.

My final decision

For the reasons I've given, I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 1 January 2024.

Sophie Goodyear
Ombudsman