

The complaint

Mr K complains on behalf of a limited company “L” about how FMG Support (FIM) Ltd (“FMG”) handled a claim under a motor insurance policy.

What happened

L had a motor insurance policy arranged through a broker, who I’ll refer to as C, protecting a van which was used for business purposes.

In October 2021 the catalytic convertor was stolen from the van. L made a claim by contacting C. C appointed FMG to handle L’s claim.

L chose its own repairer to carry out repairs as one was close by. L arranged an estimate for repairs, which was authorised by the insurer on 25 October 2021.

The repairer experienced a substantial delay sourcing the replacement parts and in February 2022 L asked the insurer to assist. The insurer arranged for the van to be assessed and repaired by one of its approved network.

L has made a separate complaint against the insurer of its policy about delays during the claim. That complaint was not upheld by this service because L initially chose its own repairer and the insurer could not be responsible for some further delays as they were relatively minor or outside of the insurer’s control.

L complained to FMG about the delays. FMG issued a final response saying it should have communicated with L better.

L brought its complaint to this service. Our investigator upheld it. She said FMG should pay L £100 for its poor communication and pay loss of use for the van at £20 per day from November 2021 to February 2022.

L accepted the view but FMG didn’t respond. Because it didn’t respond, this complaint has been passed to me to make a decision.

I issued a provisional decision to allow both parties to consider the matter further:

I’m intending to uphold L’s complaint and I’m issuing this as a provisional decision to clarify the amount of the loss of use I think FMG needs to pay.

I can see from the evidence already in the file that two key dates are readily apparent:

30/11 – COR awaiting parts

04/02 – Client requested use of network garage. Advised client he would be liable for any costs with COR if we reallocate

I can’t see that FMG made any efforts to move L’s claim forward in any way until L contacted it to complain. And I don’t think that’s good service from FMG.

I'd therefore take those dates as being the period during which FMG failed to progress L's claim, and therefore it's for that period I think FMG need to pay for L's loss of use of the van.

This is 66 days in total, and I can see that L has already accepted an amount of £20 per day for loss of use of the van. I can see from L's evidence that the van was used both during the week and at weekends so the loss of use is relevant for all days of the week and the total amount would be £1,320.

I can also see that FMG's communications with L were poor, and I think FMG should also pay L £100 for its inconvenience.

Responses to my provisional decision

Both parties accepted my provisional 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.

As both parties accepted my provisional decision, my final decision and reasoning remain unchanged.

My final decision

It's my final decision that I uphold this complaint. I direct FMG Support (FIM) Ltd to pay L:

- £1,320 for its loss of use of the van, and
- £100 for its inconvenience.

FMG Support (FIM) Ltd must pay the amount within 28 days of the date on which we tell it L accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 7 November 2023.

Richard Sowden
Ombudsman