

The complaint

Mr F complains about how Wakam handled his claim on his taxi motor insurance policy.

What happened

Mr F is a taxi driver and has a taxi insurance policy that's underwritten by Wakam to cover his vehicle.

In September 2022 a motorbike drove into his vehicle while it was parked outside his house. He made a claim on the insurance and this was accepted.

Two days after the accident Mr F was provided with a courtesy car through a different insurance policy. However this was only provided for 14 days. And at this time his vehicle still hadn't been collected for repairs.

On 18 October Mr F took it to Wakam's approved repairer. And, following some delays to obtaining the relevant part, the vehicle was repaired and ready to collect on 3 November.

However Mr F was unhappy with how Wakam had handled the claim. He said the vehicle was the only one available to him for both work and social use. So the delay in it being repaired left him without a vehicle once the courtesy car was taken away.

He made a complaint, but Wakam didn't uphold it. So he brought it to this service.

Our investigator recommended the complaint be upheld. She said the policy stated that a courtesy car would be provided and didn't mention that this would only be for 14 days. So she thought Wakam should have provided a car for the whole time Mr F was without one.

She therefore thought it should compensate him £300 for the time the car was in the garage and pay loss of earnings from 8 October to 18 October for a delay in picking up the vehicle.

Wakam didn't respond to our investigator's outcome so the complaint has come to me to decide.

On 15 August 2023 I issued a provisional decision on the complaint which said:

Mr F's policy states as follows:

'You will be provided with a Courtesy Car, subject to availability, to ensure You can keep mobile ("Comprehensive" & "Comprehensive Plus" cover only). The Courtesy Car can be used for social domestic and pleasure use only.'

Mr F has comprehensive plus cover, so I can see that he was entitled to a replacement vehicle while his was being replaced, but for social use only. So I've considered what this means for Mr F's complaint.

There are three key time periods in this case:

- From 23 September until 7 October Mr F had a courtesy car under another insurance policy that provided use for both business and social.*

- From 8 October until 17 October when Mr F was without a courtesy car and his vehicle was still at his house.
- From 18 October to 3 November when the vehicle was at the garage being repaired.

The first time period I don't need to consider, as while Mr F's car hadn't been fixed, he didn't experience any detriment. As he had a replacement vehicle that he could use as a taxi and for social use.

However from 8 October to 3 November, Mr F was without a vehicle. So I've considered whether Wakam should have done more during this time.

From 8 October Mr F's vehicle was still parked outside his home. This meant Wakam's repairers hadn't been able to inspect the vehicle or progress repairs. Wakam has said the repairer had asked Mr F to drive the vehicle to the garage so an inspection could take place. However Mr F had said he wasn't able to drive the vehicle due to the damage, as he had concerns about it worsening and causing issues to other vehicles on the road.

I've considered this, but I think Mr F could have done more to ensure his car was reviewed by the repairers sooner. The photos of the damage provided show that it was quite limited and largely aesthetic. While the side of the bumper of the car has cracked, it doesn't appear likely to imminently fall off.

Further, on 18 October Mr F has said on the advice of the garage he taped up the damage and did drive the vehicle to the garage. So I think this is something he could have reasonably done sooner. Especially considering he had from 23 September until 17 October to do so. And could have asked the garage for advice during this time. Had he done so, as he eventually was able to drive the car into the garage, it seems likely he would have been able to deliver it sooner. I therefore can't hold Wakam responsible for delays before the vehicle was delivered to its repairer, and won't ask it to pay loss of use during this time.

Once it was at the garage, Wakam has shown that there was a problem obtaining the required part. And that it took proactive steps to obtain a part that would be available sooner. So I'm satisfied it did all it could to reduce the time it took to repair. So I don't agree it caused delays.

However under the policy, Mr F was entitled to a courtesy car for social use. And he should have been provided with one while his vehicle was repaired. As he lost out on this, I think Wakam should pay loss of use for the time the car was in the garage being repaired. I've calculated this as 17 days between 18 October and 3 November. This service usually expects a business to pay £10 a day for loss of use for social purposes. I therefore think Wakam should pay £170 to make up for the loss of use during this time.

However as Mr F wasn't entitled to a replacement taxi under the policy, just a vehicle for social use, I won't ask Wakam to reimburse any loss of earnings.

I've also considered the impact the matter has had on Mr F. He has been without a vehicle for a long period, even though he was entitled to one under his policy. And he's said it left him feeling depressed as he was unable to work and didn't have a vehicle for social use either. While I can't hold Wakam responsible for the fact he was unable to work as a taxi driver, as the policy didn't provide for this. It would have been distressing for him to have not have had a vehicle at all during this time. I therefore think Wakam should pay him £130 compensation to apologise for the distress and inconvenience it caused.'

Response to my provisional decision

Wakam didn't respond to my provisional decision.

Mr F responded and didn't accept it. He said that he was in constant contact with the garage before he delivered his vehicle to it, and it had said there were delays with the part and it was too busy to take his car in. He therefore didn't agree that he could have delivered his car to the garage any earlier.

He also said he didn't think it was fair that I hadn't considered the evidence he'd provided in relation to his lost earnings. He said when he had bought a taxi policy, he'd assumed this would provide a replacement taxi and not just a vehicle for social use. And didn't think it fair that he lost out on income that Wakam hadn't covered.

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've considered what Mr F has said about the garage not having room to store his vehicle before he took it in on 17 October. And I understand he may not have been able to deliver it to the garage much sooner than he did. However from the time of the accident until 17 October, he had his vehicle in his possession. And while I understand why he would have been unable to use it as a taxi – as the damage to it would have been concerning for customers - I've not seen anything to suggest the vehicle wasn't drivable for social use.

As I referenced in my provisional decision, the damage to the vehicle appeared limited and largely aesthetic. And while Mr F has said he was worried about driving it in case the condition worsened, he's provided nothing to show that the damage meant it couldn't be driven. Further, he was able to drive the vehicle to the garage safely by taping up the damage to ensure it didn't worsen or parts of the car didn't detach. So even if Mr F had been unable to get his vehicle to the garage any earlier, between 7 October and 17 October he did have a vehicle in his possession that he could have used for social use. And as that is all he was covered for under his policy, I don't think he missed out because Wakam didn't provide a courtesy car during this time.

Once Mr F had taken his car to the garage, he was then without a vehicle for social use, which is why during this period I concluded it was fair for Wakam to compensate him for the loss of use. And after considering Mr F's comments, I'm not persuaded Wakam should pay for loss of use outside of these dates.

I note Mr F's comments about his expectations of his insurance policy not being met, as he expected it to provide a replacement taxi and not just a vehicle for social use. As part of this complaint, I've not considered the sale of the policy. If Mr F has concerns about the information he was provided about the policy when he bought it then this would need to be raised as a separate complaint against either the broker that he bought the policy through or Wakam if bought directly from it.

However in deciding this complaint, I can only consider if Wakam acted fairly and in line with the terms of the policy Mr F had. And his policy only provided a courtesy car for social use and not to use as a taxi. Therefore Wakam wasn't obliged to ensure Mr F could continue to earn while his car was out of use and it wouldn't be fair to ask it to reimburse his lost earnings for that reason.

For these reasons, I am not persuaded to depart from the findings laid out in my provisional decision. And I therefore direct Wakam to pay Mr F a total of £300 to compensate him for the loss of use of his vehicle while it was being repaired and for the distress and inconvenience

caused.

My final decision

For the reasons I've given I uphold Mr F's complaint and require Wakam to pay Mr F a total of £300 compensation - £170 for 17 days loss of use and £130 to apologise for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 27 September 2023.

Sophie Goodyear
Ombudsman