

The complaint

Mr R complains about Royal & Sun Alliance Insurance Limited's ("RSA") delay and lack of communication when dealing with his claim under his motor insurance policy.

What happened

Mr R's car was involved in an accident and, after reporting it to RSA, his car was taken into a garage for repairs. Mr R says he was initially informed the repairs would be completed in a few weeks - but after a few months of waiting and not being updated on the progress with repairs, he complained.

RSA responded and explained the delay is down to current industry challenges. They said they could see Mr R's car required parts to complete the repairs – and because parts are ordered direct from the manufacturer, they're impacted by delays in parts being shipped to the UK. RSA said they can't therefore hold their repairer responsible as these delays are outside their control. They acknowledged Mr R wasn't provided with a like for like replacement car, but this is subject to availability and there's no entitlement to a like for like replacement. RSA accepted there had been a breakdown of communication and delays, so they offered £150 compensation. Mr R called RSA to say he wasn't happy with the compensation offered and this was then increased by £150, to a total of £300.

Our investigator looked into things for Mr R. He agreed RSA had made errors and thought RSA's offer of £300 was fair. Mr R 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 RSA's offer is a fair way to resolve matters. I understand Mr R will be disappointed by this but I'll explain why I have made this decision.

Firstly, I've looked at the service given to Mr R. My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute. The key facts about the complaint aren't in dispute. RSA accept there were delays experienced by Mr R and they got things wrong with the lack of communication with Mr R. The only issue I have to decide is whether their offer of £300 is fair and reasonable in the circumstances.

I think it's right that RSA should compensate Mr R for the upset, frustration and inconvenience caused. To help decide what a fair and reasonable level of compensation should be, I've looked at the errors by RSA and the impact it has had.

RSA don't dispute Mr R has experienced delays. I've looked at the claim notes and this shows parts were ordered within a reasonable timescale of the garage receiving Mr R's car. The notes show around six weeks into the claim, RSA acknowledge there are delays in getting the parts required, and this is still the case around three weeks later. I can see RSA

are chasing the garage to check on progress. A couple of months later, and still awaiting the parts, the garage looks at trying to source the parts from another supplier. The parts are then received a few weeks later – with the repairs being completed around six weeks later.

I do acknowledge it was frustrating for Mr R to have to wait this long for the repairs to be completed, but I can't hold RSA responsible for factors outside their control. It's well publicised that the motor industry has been affected by changes over the last few years which has led to not only parts being in shorter supply, but also delays in getting parts shipped into the UK. In these circumstances we would expect insurers to take all reasonable steps, within their control, promptly. And in this case, given the parts were ordered within a reasonable timescale and RSA were chasing the garage for updates, I think RSA have taken all reasonable steps to try and get the parts required.

Once the parts arrived, it did then take six weeks for the repairs to be completed but RSA explain, at this point, Mr R's car had to go through various stages, for example, panel, paint, refit and clean. They say all of this is dependent on staffing levels and capacity as various cars move through the repair process. They say it's not possible for a car to be repaired the same day the parts arrive due to these stages of repair, having to balance this with repairs to other cars and also with repairers already working at maximum capacity. Taking this all into account, I can't say RSA have acted unreasonably here. I do acknowledge the compensation they've offered does take into account the impact of the delay on Mr R – and I think that's fair and reasonable in the circumstances.

There's no dispute around the part of the complaint relating to the lack of communication. I can see Mr R had to chase RSA a number of times to chase progress and to get information on the likely completion date for the repairs. RSA accept Mr R wasn't kept updated, and it's clear from the claim notes Mr R was becoming increasingly upset and frustrated. On occasions when Mr R chased RSA, they did provide an update, so I can't say Mr R was left throughout the whole period of the repairs without any updates or explanation for why things were taking longer than expected. That said, the updates weren't always proactive, so I acknowledge Mr R was caused inconvenience in having to chase.

I understand Mr R is also concerned about the delay in getting him a courtesy car and, when he did receive one, it wasn't like for like. I can see it took three weeks for Mr R to be given a replacement car. It does appear there was some initial delay as the garage didn't have any courtesy cars to offer Mr R and this was then outsourced to another company to arrange. I think it's important to add, courtesy cars are subject to availability, and I can see RSA were chasing this. RSA explain, for the time Mr R was without a car, he received reimbursement of the costs he paid during this time. The claim notes show RSA looked at a loss of use claim. I do acknowledge the inconvenience caused to Mr R in not having a like for like car – in particular, his car was electric, but the courtesy car was fuel. But the policy doesn't provide for a like for like replacement. RSA say their suppliers have little to no electric cars on their fleet, and at the time Mr R needed a courtesy car, their suppliers didn't have an electric car available.

So, taking this all into account, there has been upset and frustration caused to Mr R together with inconvenience in having to chase RSA. The main factor which led to the repairs taking so long was down to the time taken for the parts to arrive, but I can't say these delays are directly attributable to RSA. They have acknowledged the impact of the delay on Mr R and it's clear Mr R was upset and frustrated at the lack of communication and updates on progress. So, taking into consideration the impact on Mr R, I think RSA's offer of £300 compensation is fair and reasonable in the circumstances.

I understand Mr R will be disappointed, and I do acknowledge why he's frustrated at the length of time it took for RSA to complete the repairs. But in the circumstances of this case, I can't hold RSA responsible for the delay as the main reason was down to the arrival of parts – and this was outside of RSA's control. I wish to reassure Mr R 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

Royal & Sun Alliance Insurance Limited have already made an offer to pay £300 compensation to settle the complaint, and I think this offer is fair in all the circumstances.

So my decision is that Royal & Sun Alliance Insurance Limited should pay £300 to Mr R, if they haven't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 23 November 2023.

Paviter Dhaddy
Ombudsman