

The complaint

Mrs H complains that Sabre Insurance Company Limited mishandled her claim on a motor insurance policy.

What happened

The subject matter of the claim and the complaint is an estate car made by a premium-brand manufacturer and first registered in March 2009. Mrs H acquired the car in May 2020.

For the year from early November 2022, Mrs H had the car insured on a comprehensive policy through an insurance intermediary. Sabre was the insurance company that was responsible for dealing with any claim.

Unfortunately, Mrs H reported that in late January 2023, someone had stolen the catalytic converter from her car. Sabre said it would get the damaged car collected by salvage agents, as it was likely to be beyond economic repair. It didn't provide a courtesy car.

Mrs H couldn't afford to get a new vehicle. On 31 January 2023, she withdrew her claim, saying she had made arrangements for repair. In the meantime Mrs H couldn't use the car and had to use public transport and get lifts.

On about 13 February 2023, Mrs H complained to Sabre. She said she'd had to pay £695.00 for a replacement catalytic converter.

By a final response dated early March 2023, Sabre said that – if Mrs H still wished to claim - it would reimburse the cost to replace the catalytic converter, subject to the £250.00 excess applicable for theft.

Mrs H brought her complaint to us in late March 2023.

Our investigator didn't recommend that the complaint should be upheld. He didn't think that Sabre had acted unfairly or unreasonably in relation to the claim.

Mrs H disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- Sabre didn't give the option of the car being assessed at home.
- Sabre said repair wouldn't be financially viable. It only gave the option of having the car scrapped.
- Sabre provided no other option, such as the option to repair the car herself and claim the cost. So she had no option but to withdraw her claim, pay for the repair and complain.
- After she complained, Sabre said it could have been assessed at her home.
- She experienced considerable hardship whilst without a car. She experienced stress and anxiety at being able to get to work and provide transport for her daughter with a

long- term medical condition.

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.

From the policy documents, I've seen that the policy covered Mrs H as policyholder, and it also covered her husband and daughter as named drivers. I've noted that her daughter had a medical condition that she had notified to DVLA.

The policy terms included the following:

*"The insurer will decide either to;
Repair the damage themselves; or
Pay to have the damage repaired; or
Pay to replace what is lost or damaged if this is more cost effective than
repairing it; or
Pay you an amount equal to the loss or damage.
... The insurer will not pay more than the market value of the car at the time of
the loss..."*

So that policy term allowed Sabre to decide which option to use to settle the claim.

The policy terms also included the following:

*"Recommended repairer
...
At your option, you can arrange for a repairer of your choice to carry out the
repairs. You must send the insurer at least two detailed repair estimates as
soon as reasonably possible. The insurer will only be liable for the repair
costs at a non-recommended repairer if the insurer has agreed that the costs
are reasonable and the insurer has issued an authorisation to the repairer.
The insurer may need to inspect the car.
The insurer reserve the right to ask you to obtain alternative estimates and
the insurer may not pay you more than their recommended repairer would
have charged them for the repair of the car."*

That term gave the policyholder an option of using their own repairer. But I don't consider that this applied where Sabre decided instead to settle the claim by paying the pre-incident market value of the car.

The policy terms also included the following:

*"Courtesy cars

This policy also covers loss or damage to any courtesy car the insurer's
recommended repairer provides to you while any damage to the car is being
repaired. The provision of a courtesy car is subject to availability and the
recommended repairers terms and conditions. If the provision of a courtesy
car is available, the insurer's recommended repairers will not be obliged to
arrange a replacement vehicle any larger than a small hatchback..."*

In my view, that policy term meant that Sabre wouldn't provide a courtesy car if it hadn't appointed a repairer.

I consider that the theft and the need to make a claim were bound to cause inconvenience and distress to Mrs H and her family.

It would be common practice for an insurer to treat a car as a total loss where the estimated cost of repair was more than a percentage (for example 70%) of the pre-incident market value of the car. Mrs H's car was over ten years old, and someone had removed the catalytic converter. So I don't consider that Sabre acted unfairly or unreasonably by treating the car as a likely total loss to be sent to a salvage agent.

I don't consider that Sabre treated Mrs H unfairly or unreasonably by not mentioning the option of the car being assessed at home.

Sabre wasn't under any obligation to appoint a repairer or to provide a courtesy car, certainly not until Sabre had received images or a report on the damaged car. And Mrs H withdrew her claim within a couple of days. So I don't hold Sabre responsible for the consequences to Mrs H and her family of not being able to use the damaged car or a courtesy car. Those consequences included effects on her husband's work and her daughter's commitments.

In my view, Mrs H's later repair cost of £695.00 doesn't show that Sabre acted unfairly when it anticipated that the likely cost of repair and the likely pre-incident value of the car were such that it was likely to treat the car as a total loss.

In response to the complaint, Sabre offered to reimburse the cost of the catalytic converter, less the policy excess. I consider that this offer was a fair and reasonable response.

Mrs H had enjoyed the benefit of cover to drive the car. And the final response offered to settle the claim. So I don't find it fair and reasonable to direct Sabre to refund the premium.

Overall, I don't conclude that Sabre treated Mrs H unfairly and I don't find it fair and reasonable to direct Sabre to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Sabre Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 9 October 2023.

Christopher Gilbert

Ombudsman