

## **The complaint**

Mr G complains about Highway Insurance Company Limited ("HIC") and the time it took them to process the claim he made on his motor insurance policy.

## **What happened**

Mr G held a motor insurance policy, underwritten by HIC. Unfortunately, on 31 December 2022, Mr G was involved in a road traffic accident, with no other party involved, that significantly damaged his car. So, he made a claim on his motor insurance policy.

But Mr G was unhappy with the length of time it took HIC to arrange for his car to be collected by their collection agent, who I'll refer to as "S", from storage. And that during this time, he was without a courtesy car to keep him mobile. So, he raised a complaint about this, asking HIC to compensate him £750 for the inconvenience he'd been caused.

HIC responded to the complaint and upheld it. They accepted there was a delay of around 4 weeks caused by S' failure to collect Mr G's car, which prevented Mr G's car from being inspected and being declared a total loss. So, they sent Mr G a cheque to refund him his £200 excess that was originally deducted from the total loss settlement. But Mr G didn't accept this offer, as he didn't think it was enough to compensate him for the inconvenience he'd been caused.

HIC issued a follow up response, maintaining their belief the £200 was a fair refund. But they also offered, as a good will gesture, to refund Mr G any travel costs he incurred during the delay subject to receipts of these costs being provided. To date, Mr G hasn't provided these receipts and so, no further payment has been offered or issued. Mr G remained unhappy with this response and so, he referred his complaint to us.

Our investigator looked into the complaint and didn't uphold it. They agreed there was a delay caused by S. And, while they had seen evidence to show HIC had continued to chase S to arrange collection, they did think HIC could've sought an alternative collection agent. But they thought the £200 offered by HIC, and the offer to reimburse any travel costs upon the production of receipts, was a fair one considering Mr G would only have been entitled to a courtesy car had his car been repaired. And in this situation, Mr G's car was deemed a total loss. So, they didn't think HIC needed to do anything more.

Mr G didn't agree, and he maintained his position that he was inconvenienced by the delays in a way that warranted a higher compensatory amount than £200. As Mr G didn't agree, the complaint has been passed 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'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented

on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr G. I note it's not disputed that there were delays during HIC's handling of Mr G's claim that resulted in him receiving his total loss settlement later than he should've. And during that time, Mr G was without a car and so, had to arrange alternative transport for an extended period of time which I appreciate would most likely incur additional, unforeseen costs. So, I do understand why Mr G would feel unfairly treated and want to be compensated to an amount he feels fair.

But for me to say HIC should do something more than they have already, for example increase the compensation amount offered to Mr G, I'd need to be satisfied the offer put forward by HIC was unfair and failed to adequately address the impact caused to Mr G, considering the original mistakes they are responsible for. And in this situation, I don't think that's the case.

As I've already explained above, HIC have accepted there were avoidable delays in retrieving Mr G's car from storage. While I appreciate HIC did chase S to try and prevent these delays, S were ultimately acting on HIC's behalf as HIC's agent and so, I do think HIC are ultimately responsible for S' failure here. And had HIC acted proactively, they could've turned to another collection agent to recover the car, and this may have avoided some of the delays Mr G experienced. So, I don't think it's in dispute that HIC acted unfairly and because of this, I don't intend to discuss the merits of the complaint in any further detail. Instead, I've turned to what does remain in dispute, which centres around what HIC should reasonably do to put things right.

Any award or direction our service makes is intended to place Mr G back in the position he would've been in, had HIC acted fairly in the first place. Had HIC acted fairly, I think Mr G's car would've been collected sooner. And had this happened, I think it's reasonable for me to assume Mr G's car would've been declared a total loss in a quicker amount of time, which in turn means Mr G would've received his total loss settlement sooner, allowing him access to the funds to begin searching for a replacement. So, I do think Mr G should be compensated for the delays HIC caused in receiving this payment, and the impact these had on Mr G.

But crucially, having read through Mr G's insurance policy, I think it makes clear that Mr G would only be entitled to a courtesy car if his car was repairable. And this wasn't the case here. So, I don't think Mr G would ever have received a courtesy car during the claim process, and I don't think HIC should be expected to compensate him for the fact a courtesy car wasn't provided.

I can see that in HIC's final responses to Mr G's complaint, they issued him with a cheque for £200, which they described as a refund of the excess he paid. Although this was titled as a refund, Mr G was obligated to pay the excess when making a claim on his policy. So, I do think this £200 refund provides financial compensation to Mr G, as it places him financially in a better position that he should've been in when claiming on his policy. And because of this, I think it's fair for me to treat this as financial compensation.

And having considered this £200, I think this offer falls in line with our services approach and what I would've directed, had it not already been put forward by HIC. I think it fairly recognises the inconvenience Mr G would no doubt have been caused being without a settlement payment for longer than he should've been. And I do think it also takes into consideration the times Mr G proactively chases HIC for an update, rather than HIC taking responsibility for providing these themselves.

But I do think it also reflects the fact Mr G would never have been entitled to a courtesy car,

as his car wasn't repairable, as well as the actual length of the delay HIC were responsible for. And I'm also unable to say for certain whether receiving the settlement sooner would've definitively allowed Mr G to purchase a replacement sooner, considering he would've needed to source a suitable replacement which may have taken some time to do.

And alongside this, HIC have agreed to consider reimbursement of any travel costs Mr G incurred during the claim, to ensure any additional costs he incurred because of their delays are considered. But they have made clear this would be subject to the receipt of evidence to show what these costs were. And I think this is a fair request from HIC, as our service wouldn't expect a business to reimburse any financial losses without evidence of what these losses were, nor would be direct a business to do so, as we're unable to place a customer in a position of betterment. And directing a payment for financial losses without evidence of these would potentially do so.

So, I don't think I can say HIC should offer anything more than the £200 already put forward plus the option of travel cost reimbursement and because of this, I don't think they need to do anything more.

I understand this isn't the outcome Mr G was hoping for. And I want to reassure Mr G I have thought carefully about the impact he has been caused, in consideration with what he feels is a more adequate compensatory amount. But as I've explained above, I think the £200 falls in line with our services approach. I'm aware this £200 was initially sent to Mr G by cheque and from what I've seen, it hasn't been cashed. It is Mr G's own decision whether to now cash this cheque. If he wishes to do so, and the cheque has expired, I'd expect HIC to issue a new cheque to allow Mr G access to the funds as agreed.

### **My final decision**

For the reasons outlined above, I don't uphold Mr G's complaint about Highway Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 2 January 2024.

Josh Haskey  
**Ombudsman**