

The complaint

Mr C complains that U K Insurance Limited (“UKI”) mishandled his claim on a motor insurance policy.

What happened

The subject matter of the claim and the complaint is a powerful car, made by a premium-brand sports car-maker and first registered in 2019.

Mr C acquired the car on a lease.

For the year from mid-February 2022, Mr C had the car insured on a comprehensive policy with UKI. One of the options he chose was “Guaranteed Hire Car Plus”.

Unfortunately, Mr C reported that, in early November 2022, a third party had damaged the car.

UKI appointed a repairer and arranged a hire car for Mr C.

By March 2023, Mr C had complained to UKI that the repair was taking too long, and in the meantime he was having to continue to pay for the lease, but he wasn’t getting a like-for-like hire car.

By a final response dated early April 2023, UKI said the policy didn’t cover a like-for-like hire car. But UKI apologised for delay and shortcomings in its service and said it was sending a cheque for £250.00 to Mr C.

Mr C brought his complaint to us in May 2023. He said UKI still hadn’t repaired the car.

Our investigator didn’t recommend that the complaint should be upheld. She thought that £250.00 was fair and reasonable, and UKI had correctly adhered to the policy terms about a hire car.

Mr C disagreed with the investigator’s opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- His car took over 8 months to repair while he was paying a monthly fee of over £1,000.00 and was provided with a hire car that would not cost him more than £200.00 a month.

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.

UKI’s policy terms included the following:

“About Guaranteed Hire Car Plus

We'll give you a hire car of a similar physical size to yours, if your car is damaged in an incident, written off or stolen.

...

What we'll do

Guaranteed Hire Car Plus is designed to keep you mobile while your car is being repaired, by providing you with a hire car that's a similar size to your car. We'll always try to provide you with a hire car that's a similar physical size to your car, but sometimes one may not be available. We cannot guarantee that your hire car will be the same as your car in terms of its size, type, value or status."

The Insurance Product information Document summarised the hire car as follows:

"a similar sized car to yours"

So the policy didn't entitle Mr C to a hire car that was like-for-like with his car other than in terms of its physical size. The policy didn't entitle Mr C to a car of a premium brand or with a powerful engine or of a high value or monthly cost.

In my view, the accident and the need to make a claim were bound to cause Mr C some upset and inconvenience. The repair was bound to take some time. And it turned out that the third party wasn't insured, so credit hire wasn't a good option.

There was some delay for which UKI was responsible, including delay in an engineer assessing the vehicle. There were also shortcomings in UKI's communication with Mr C.

I've thought about the impact of such delay and shortcomings on Mr C. That included irritation that he wasn't getting the service he was entitled to, wasted time chasing for progress and updates, and frustration that he wasn't going to get his car back as quickly as possible.

I can see why Mr C felt aggrieved that he was making lease payments for his car for months when UKI provided him with a lesser vehicle. Also, Mr C complained that the claim was taking longer than necessary.

However, he complained about the brand and monthly cost of the hire vehicle rather than its physical size. Keeping in mind the policy terms set out above, I don't conclude that UKI treated Mr C unfairly in supplying the hire car of the brand it did.

Whilst I have identified some delay for which UKI was responsible, there isn't enough evidence that UKI's delay (certainly its delay up to the time of his complaint that led to the final response) meant that UKI didn't finish the repair within a reasonable time.

So I don't find it fair and reasonable to direct UKI to compensate Mr C for any part of his lease payments or otherwise to pay compensation by reference to the relative values of his car and the hire car.

UKI tried to put things right for Mr C with a payment of £250.00. Overall I'm satisfied that this was fair (and in line with what I would otherwise have directed UKI to pay) for the impact on Mr C of the shortcomings I've identified.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 December 2023.

Christopher Gilbert

Ombudsman