

The complaint

Mr W complains that ARAG Allgemeine Versicherungs-Aktiengesellschaft delayed providing him with a hire car following a claim made on his Guaranteed Replacement Vehicle cover additional to his motor insurance policy.

What happened

Mr W's car disappeared from a car park, but his claim for its loss hasn't been settled. Mr W was unhappy with the hire car provision from ARAG under his Guaranteed Replacement Vehicle cover. He said it had delayed this, hadn't extended it and he had incurred costs. He wanted compensation for his trouble and upset.

Our Investigator didn't recommend that the complaint should be upheld. She thought the 48 hour delay in providing a hire car wasn't unreasonable. She thought ARAG had made Mr W aware that he would have to pay for his car upgrade as his policy didn't cover this. She thought the policy's terms and conditions made it clear the hire was for 28 days and Mr W was aware of this. So she thought Mr W had decided to extend the hire and he was responsible for the charges. And she thought the policy excluded loss of use, so ARAG wasn't responsible for Mr W's taxi fares.

Mr W replied that his claim hadn't been paid and he needed a hire car because of this. He said ARAG had told him it would extend the hire at no cost to himself. He said another company had breached his data privacy. And he said he was still paying premiums for a car not in his possession and was unhappy that he had been asked to pay charges on cancellation. Mr W asked for an Ombudsman's review, so his complaint has come to me for a final 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.

I can understand that Mr W felt frustrated that he was left without a car after his car was taken and hire was provided for just 28 days. And he has explained that he can't afford to pay the charges for the extended hire. I was sorry to hear that this has caused him stress and affected his health.

As our Investigator has explained, Mr W would need to complain to his insurer if he is unhappy with its decision about the settlement of his claim. He would also need to complain about still paying his premiums and the cancellation. And we can't consider his complaint about the data privacy breach as he hasn't made a complaint to the company that he says committed it.

So I'll consider here Mr W's claim under his Guaranteed Replacement Vehicle cover that was underwritten by ARAG. Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

I can see in the Welcome Pack sent to Mr W when he first took out and renewed his policy that the hire car is provided for a period up to 28 days. And on page 49 of the policy documents, it is stated that hire beyond 28 days will not be extended under any

circumstances. It also states that the cost of any upgrade is at the consumer's expense. I think the terms and conditions of the cover were sufficiently clear and they were brought to Mr W's attention so it's reasonable for ARAG to rely upon them.

ARAG's timescale for providing a hire car is 48 hours. Mr W wanted a car sooner, so he was provided with an upgrade, and he was told he was responsible for the additional costs. I think this is in keeping with the policy's terms and conditions. So I can't say this was unfair or unreasonable. And I think, allowing for a bank holiday, a hire car was provided in a timely manner.

Mr W said he was told twice that he could have his car hire extended at ARAG's expense. But I haven't seen any evidence to support this. We've asked Mr W for details of these calls, but he hasn't provided them. And, in any case, I think the policy's terms and conditions were clear that no extension would be provided. So I can't say that ARAG is responsible for the charges Mr W incurred for car hire.

Mr W said he had to pay for taxis to get around. But I can see that loss of use is excluded under the policy. And, as I don't think ARAG caused any avoidable delays in providing a hire car, I can't say that it is responsible for Mr W's alternative travel costs.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 3 April 2024.

Phillip Berechree
Ombudsman