

The complaint

Miss W has complained about the poor service she received from U K Insurance Limited when she made a claim for repairs under her car insurance policy.

What happened

Miss W's car was damaged while parked and in June 2022 she made a claim for her car to be repaired.

UKI arranged for an approved repairer (AR) to repair her car.

Between July and October 2022 Miss W's car was returned to the AR and a dealership garage multiple times. Miss W said after the first return to repair cosmetic damage, the engine juddered and her car - which has a dual fuel tank - switched from LPG to petrol. Miss W said in the week she drove her car before it went in for repair, this didn't happen.

Miss W complained that the AR caused additional damage each time her car was returned to her. Miss W said a dealership garage identified a fault with a valve which was under warranty. When replacing the valve, it discovered manual damage to a LPG pipe which the dealership said was caused either by the incident or by the AR.

Miss W was very unhappy with the service she received from the AR. She wanted it to cover the costs to repair the pipe and compensate her for the additional fuel costs she has incurred.

As Miss W's car had a dual fuel tank, she explained that LPG is much cheaper than petrol and she bought this car specifically to reduce running costs. Miss W said she travels many miles for work and so not being able to use LPG has cost her around £100 more a month to use her car.

The AR told UKI that the dealership garage had told it the fault wasn't incident related and was covered under the warranty.

In March 2023 UKI upheld Miss W's complaint in part. It accepted the AR had provided a poor service. For the inconvenience caused it paid Miss W £250 compensation. This was in addition to £100 compensation paid in July 2022 for poor service by the AR.

UKI didn't accept it was responsible for the damage to the pipe, based on what its AR told it.

Miss W remained unhappy and asked us to look at her complaint. She provided a copy of a report from the dealership garage. This said the damage to the LPG pipe was not caused by a manufacturing defect, but had split either when the incident happened or during an attempted repair (by the AR).

Over two views, our Investigator recommended the complaint should be upheld in part. He thought UKI should pay for the costs to repair the pipe as he found the report from the dealership more persuasive than the call between the AR and UKI. In this call recording, the AR said the dealership garage told them the fault was covered under the warranty.

The Investigator didn't recommend UKI reimburse Miss W for any additional cost incurred for fuel. He said although the AR couldn't identify the cause of damage, neither could the dealership garage despite being returned to them a number of times too. He said sometimes

it is difficult to diagnose a fault and both garages had made several attempts to identify it as it wasn't easy to diagnose.

Miss W disagreed. She says it follows that if the cause of damage was either by the incident or by the AR, she shouldn't be at a financial loss because of it. She says as her car was driving fine in the week before it went to the AR, she believes the damage wasn't caused by the incident, but by the AR during an attempted repair. So she wants UKI to reimburse her for additional petrol costs she has incurred - and continues to incur until the LPG pipe is replaced.

I issued a provisional decision on 16 October 2023. I agreed to uphold the complaint, but I thought UKI should pay a further £600 compensation for the distress and inconvenience and loss generally of not being able to use the LPG fuel part of the car as a result of UKI's dispute to pay for the LPG pipe repair.

UKI provided a copy of the full engineer's report. It didn't provide any comments in response to my provisional decision.

Miss W explained that she isn't able to provide proof of what she paid for LPG fuel. She has provided some evidence to show what she paid for petrol, but says she also paid cash at times, which she doesn't have proof of. Miss W estimates the difference in fuel costs so far comes to around £1,116.

So as both parties had replied, the case has been passed back to me to decide.

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.

My provisional findings were;

I don't think UKI has done enough to resolve Miss W's complaint. Our Investigator asked UKI to provide its engineer report. It provided a limited report which lacks detail. So our Investigator asked UKI to provide additional information which would be included as standard in an engineer's assessment of damage to a car: full report with photos, an estimate for repair, and diagram showing the area of damage to Miss W's car. UKI hasn't provided this. So I'm unable to tell if the area of damage was the same location as the damage being claimed for to the LPG pipe. While the limited report provided states the area of damage is to the front of the car, the AR in the call recording provided with UKI said there was slight cosmetic damage to the back of the car.

The AR admitted that Miss W's specification of car is unusual. However, it seems the dealership garage wasn't able to identify the issue despite assessing the car a number of times too - until it went to replace a faulty valve that was covered under warranty. The dealership's original diagnosis was that a faulty valve was causing Miss W's engine to switch to petrol, but it then found a damaged LPG pipe when replacing the valve.

I think UKI has paid a fair amount of compensation for the poor service provided to Miss W - outside of the issue with the LPG pipe. But as UKI didn't uphold this part of Miss W's complaint, it hasn't paid any compensation for the distress and inconvenience caused by this failing.

Miss W says she is continuing to incur additional fuel costs - so I assume she hasn't paid privately for the repairs to the LPG pipe to be carried out.

Miss W says that UKI is directly responsible for additional fuel costs of £100 a month. If Miss W can provide persuasive evidence to support her claim, such as evidence of fuel payments before and after over a period of 3 months each side, I will consider it.

In the absence of any detailed information about the damage and repairs from the AR, I find the written report provided by the dealership garage carries more weight than what the AR told UKI. So I think UKI should meet the costs to replace the damaged LPG pipe. I think it should ensure Miss W is provided with a courtesy car while these repairs are carried out.

In the absence of any new information, I don't intend to ask UKI to pay Miss W a separate amount for financial loss, but instead an additional compensation award of £600 for the distress and inconvenience caused by its failure to promptly arrange repairs to the LPG pipe. This award is a general recommendation to take into consideration any additional fuel costs Miss W has incurred, as I think it's reasonable to conclude that not being able to use LPG fuel will have meant Miss W's fuel costs have been higher. As I've said, if Miss W can provide persuasive evidence to show the difference in fuel costs as a direct result of UKI's failure to replace the LPG pipe, I will reconsider her claim for financial loss.

I've looked at the engineer's report UKI has provided in response to my provisional decision. It tells me Miss W's car had incident related damage to the right front, side and rear. In the absence of any other response to my provisional decision, I maintain my view that the dealership garage's evidence carries more weight. And so I think UKI should arrange for the repairs to the LPG pipe.

I understand Miss W hasn't been able to provide evidence sufficient enough for me to consider her claim in full for additional fuel costs. So I'm satisfied that a fair outcome is for UKI to increase the compensation award by a further £600 as set out in my provisional decision.

My final decision

My final decision is that I uphold this complaint. I require U K Insurance Limited to do the following:

- Arrange for the LPG pipe to be replaced by a dealership garage and provide Miss W with a courtesy car for the duration of repair.
- Pay Miss W compensation of £600 in addition to the compensation it has already paid for poor service. This is for the distress and inconvenience caused by failing to replace the LPG pipe when diagnosed on 29 October 2022.

U K Insurance Limited must pay the compensation within 28 days of the date on which we tell it Miss W accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 18 December 2023.

Geraldine Newbold
Ombudsman