

## **The complaint**

Mr E complains about Markerstudy Insurance Company Limited ("MICL") and the way the claim he made on his Motorhome Insurance Policy has been handled.

## **What happened**

Mr E purchased a Motorhome insurance policy via a broker, who I'll refer to as "A". The policy itself was underwritten by MICL.

Unfortunately, around 21 November 2022, Mr E's motorhome was involved in a road traffic accident while abroad. So, he contacted MICL to make a claim on his insurance policy.

It was agreed between MICL and Mr E that he would look to arrange a temporary repair while abroad, so he could continue with his holiday in the motorhome. This repair was completed and MICL raised a payment, less Mr E's applicable excess, to cover this cost.

Mr E then looked to arrange a permanent repair with a repairer based abroad, who I'll refer to as "B", who had the required parts readily available. And on 19 December, he provided MICL with an estimate for these repairs, explaining he needed authorisation by 22 December in order to book a repair slot in April 2023, at the end of his holiday.

MICL indicated they would be looking to authorise these repairs. But no official authorisation was provided by the date Mr E gave, meaning a repair date couldn't be agreed. Because of this, Mr E took the decision to cut his holiday short and return to the UK in January 2023.

Following Mr E's return, MICL offered to pay Mr E a cash in lieu settlement of £3,778.59 to organise the repairs himself. This amount was based on the estimate provided by B. Or, they explained they could source a new repairer, and look to repair to the cost of the estimate they were provided.

Mr E declined this offer. And he explained he would only accept an amount of £5,768.00 which included the costs he'd incur travelling to B to have the repairs completed abroad. MICL refused to pay this, and a repairer in the UK was found instead. But Mr E remained unhappy overall, so he raised a complaint.

Mr E was unhappy with MICL's failure to authorise B's repair estimate in December 2022. He felt MICL's failure caused him to lose his repair slot due in April 2023 and so, caused him to cut his holiday short. So, Mr E wanted to be compensated for this. Mr E was also unhappy with how long it had taken MICL to source a repairer in the UK, the way MICL communicated with him overall and the fact an excess was taken.

MICL responded to the complaint and upheld it. They accepted they failed to authorise the repairs in December 2022. And, that they failed to communicate effectively with Mr E during the claim process, including their failure to call Mr E back when agreed. But they explained the excess was payable, in line with the terms of the policy. So, MICL offered to pay Mr E £150 to recognise any upset and inconvenience he'd been caused. Mr E remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and upheld it. They were satisfied that temporary repairs had been carried out to the motorhome which meant it was able to be used for the full duration of Mr E's intended holiday. So, while they recognised MICL's acceptance that they had failed to authorise repairs in December 2022, our investigator thought it was Mr E's own decision to cut his holiday short. And so, they didn't think MICL were unfair to reject Mr E's request regarding payment of his travel costs.

But they did think Mr E had been unfairly impacted by MICL's actions overall. And they recognised Mr E had experienced delays during the claim process and that MICL's communication fell below the level we'd expect. So, our investigator thought MICL should increase their compensatory offer by £100, taking it to £250 overall.

MICL accepted this recommendation. But Mr E didn't. He provided several comments explaining why which included, but was not limited to, Mr E's belief that the £250 failed to adequately recognise the impact MICL's lack of communication had on him while he was abroad. And, how this affected his decision to return to the UK early. Mr E was also unhappy that the motor home had not yet been repaired adequately, meaning he was unable to enjoy use of it. Mr E maintained his belief that had MICL authorised the repairs when they should've done, the repairs would've been completed by B in April 2023. And so, he wouldn't now be left in a situation where a UK repairer has needed to await delivery of parts that B would've had readily available.

Our investigator considered Mr E's comments, but their opinion remained unchanged. And they explained our service is only able to consider the actions of MICL up until their complaint response. So, any complaints about events after that date would need to be raised separately. Mr E continued to disagree and so, 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 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.

Before I explain why I've reached my decision, I think it would be useful for me to set out exactly what I've been able to consider. Under the rules we work within, set by the industry regulator the Financial Conduct Authority, we're unable to consider any issues that haven't first been raised with a business, in this case MICL, and they've had up to eight weeks to respond within their own complaint process.

So, because of this, I'm only able to consider the events that occurred before MICL's final response letter to Mr E's complaint, on 3 February 2023. Any complaint about events that occurred after this time, such as further delays and the quality of repairs completed would need to be directed to MICL separately. Should Mr E remain unhappy with MICL's response, he would be able to contact our service and we would consider under a separate complaint reference.

I also want to recognise that, in MICL's complaint response, they have already accepted their failure to authorise Mr E's repairs in December 2022. And, that the service they provided including the way they communicated with Mr E was unreasonable. As MICL have already accepted these failures, I think it's reasonable for me to assume they are no longer

in dispute. So, I won't be discussing the merits of these complaint issues in detail.

But for completeness, I want to confirm that after considering MICL's system notes, and the email correspondence provided by Mr E, I think it's clear MICL were in receipt of B's repair estimate on 19 December 2022. And, that Mr E made it reasonably clear to MICL he felt he required authorisation by 22 December, in order to ensure he confirmed a repair date in April 2023.

While I think MICL did give an indication they would look to authorise the repairs, their email reply stated they would be back in touch with Mr E to confirm this. And, despite chaser emails from Mr E on 22 and 23 December, I can't see MICL got back in touch to provide this authorisation. So, I do think MICL failed to act reasonably here. And, that this is evidence of their failure to communicate with Mr E effectively during the claim process.

So, as I'm satisfied MICL did act unfairly and this is accepted, I will instead be focusing on the main issues that remain in dispute, which centre around what MICL should do to reasonably put things right.

### **Putting things right**

Any award or direction I make is intended to place Mr E back in the position he would've been in, had MICL acted fairly in the first place.

In this situation, had MICL acted fairly, I think they would've most likely been able to provide Mr E with authorisation for the repair estimate provided by B, as their email suggested the estimate itself was consistent with the repairs needed to permanently repair the damage the motorhome sustained.

Had MICL done so, I think MICL would've incurred a cost of £3,778.59 or similar, based on the exchange rate at the time the invoice was payable. So, I'd expect MICL to either arrange for the repair Mr E's motorhome or offer Mr E a cash settlement for this amount.

I can see in January 2023, MICL offered both options to Mr E. And after Mr E rejected the cash settlement, repairs were arranged with an alternative repairer in the UK. So, I think Mr E has been left in the same position he would've been in regarding the actual repairs themselves.

But I do recognise that MICL's failure to provide authorisation by 22 December 2022 meant Mr E was unable to confirm the repair date he felt suited his plans, and B's availability. And I do think this undoubtedly caused Mr E some upset and inconvenience, as it left him unable to plan the remainder of his trip accordingly.

I also think MICL's failure to provide this authorisation, and then communicate with Mr E proactively, led Mr E to spend time chasing MICL for an update both abroad and when he returned home when he shouldn't have needed to. So, I do think Mr E should be compensated for the impact I've outlined above.

But crucially, I don't think MICL are totally responsible for Mr E's decision to cut his holiday short in January 2022. I've seen Mr E's email to MICL, where he confirmed he intended to continue his trip in the motorhome until April 2023, as the temporary repair meant it was safe and practical to use. So, I think Mr E was able to continue with his holiday as he intended and that it was his own decision to return to the UK when he did. I appreciate how MICL's actions may have impacted the decision Mr E made but ultimately, I think it remains that it was his own decision to choose this course of action.

I also note that in B's email to Mr E, the repair dates in April appear to have been provisional. And while B did ask for authorisation to be provided by 22 December 2022, it doesn't confirm what action would be taken if authorisation wasn't provided by this time. I think there may have been an opportunity for alternative dates to have been arranged had authorisation been provided in January 2023, had Mr E remained abroad. But by choosing to return to the UK, I think Mr E removed the availability of this potential option. I also think it's worth noting that B requested authorisation for a repair within four days of providing an estimate which, considering Mr E was in a foreign country with an insurer in the UK, is a relatively short period of time.

So, I don't think it would be reasonable to expect MICL to cover the costs Mr E would incur to travel back to B's location, to have a repair completed. And so, I don't think they should be expected to compensate Mr E for their stance on this.

I note MICL offered to pay Mr E £150 to recognise the upset and inconvenience he was caused. And our investigator recommended a £100 increase, taking the total compensatory payment to £250, which MICL agreed. And having considered this increased payment, I think it is a fair one, that falls in line with our services approach and what I would've directed had it not already been made.

I think it fairly takes into consideration the frustration and inconvenience MICL's delays and lack of communication had on Mr E. And, how these potentially impacted Mr E's decision to cut short his holiday due to his inability to put in place a plan for the remainder of his journey, and when the repairs could be fitted in conveniently.

But I think it also fairly reflects the fact that it was Mr E's own decision to cut his holiday short, when he'd already expressed his intention to continue until April 2023. And that MICL have since found a repairer and authorised for the permanent repairs to be undertaken.

I think it also considers MICL acting proactively and fairly to ensure temporary repairs were authorised and reimbursed, to allow Mr E to continue his trip in November 2022. While an excess payment was taken, I'd expect an excess to be applicable where a claim has been made on an insurance policy. And I'm satisfied the excess was charged in line with the policy terms and conditions on this occasion.

So, I am directing MICL to pay Mr E a total compensatory payment of £250, as I am of the understanding Mr E refused the initial £150 cheque sent to him by MICL following their complaint response. If this £150 has been cashed by Mr E, I'd expect MICL to pay an additional £100 to take the total paid to £250.

I understand this isn't the outcome Mr E was hoping for. I want to reassure Mr E I've considered all of the comments and information he's provided even if it's not been commented on directly, including his detailed explanation of how he has been impacted. But for the reasons I've listed above, I think a total offer of £250 is a fair one on this occasion.

### **My final decision**

For the reasons outlined above, I uphold Mr E's complaint about Markerstudy Insurance Company Limited and I direct them to take the following action:

- Pay Mr E a total of £250 compensation to recognise the upset and inconvenience he's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 2 August 2023.

Josh Haskey  
**Ombudsman**