

## **The complaint**

X complains about how Helvetia Global Solutions Ltd (“Helvetia”) settled a claim under their cosmetic damage repair policy. When I mention Helvetia I also mean its suppliers and repairers.

## **What happened**

X had a policy from Helvetia that pays for repairs to cosmetic damage to their car.

Their car suffered a small scratch and dent and they made a claim from Helvetia.

Helvetia assessed the damage and reported that it needed to be repaired using a workshop rather than by SMART techniques. It said it would pay up to £150 under its policy towards the repair.

X took their car to their choice of main dealer for the repairs to be done. These were carried out at a cost of £453.60. The main dealer told X it'd used a SMART repair to carry out the work.

Helvetia paid X £125 after deduction of the £25 excess.

X complained that Helvetia told them the repair couldn't be provided under its policy, but they'd had it repaired using the same techniques. X asked that Helvetia pay the full cost of the repair.

Helvetia said it had settled the claim according to its policy wording.

As X remained unhappy, they brought their complaint to this service. Our investigator looked into it and thought it would be upheld. He thought Helvetia hadn't shown that the damage to X's car was outside the terms of their policy. He thought Helvetia should pay the cost of the repair paid by X plus interest at 8% simple.

Helvetia didn't accept the view and asked for the complaint to be reviewed by an ombudsman, so it's been passed to me to make 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.

I'm upholding X's complaint. I'll explain why.

I can see from the file that Helvetia says it assessed the damage to X's car. This seems to have been carried out using photos.

When Helvetia assessed the work needed, it said:

*“We have had the images of the damage assessed and I regret to inform you that*

*this particular damage is beyond the limits of a cosmetic repair.*

*This is due to: This damage requires a body shop repair.”*

X then took the car to a manufacturer approved dealer for the work to be done.

This dealer later confirmed that the work was carried out by a SMART repairer. In other words, the repair needed and carried out was exactly of the sort that would be provided under the wording of a cosmetic damage repair policy.

Helvetia then told X they'd only be entitled to £150, less the excess of £25, towards the claim of £453.60.

It said it would only pay this because its policy wording says:

*“In the event that a Cosmetic Repair or Touch-in Repair cannot be used to repair Minor Cosmetic Damage on Your Vehicle under this policy, the policy will contribute up to a maximum of £150 including VAT towards the cost of having a conventional body shop repair carried out whereby the Minor Cosmetic Damage has been repaired as a result”*

But X's position is that they'd been explicitly told by Helvetia that the repair would require a body shop.

Then, having taken the car to a manufacturer approved dealer, the repairs were carried out using the techniques Helvetia said could not be used.

X raises the point that, by incorrectly refusing to repair the damage using the SMART techniques, Helvetia was able to limit its exposure to the claim.

This doesn't seem fair to me, and I can see X has also supplied this service with other evidence from alternative SMART repairers who assessed that the damage could be repaired using those techniques.

X had the work done using what I'd normally refer to as a specialist or expert, who had access to the car and inspected it before carrying out the repair.

The work was then done, and from the evidence I have I can't see that X had knowledge about how it was done until it was complete and it'd been paid for.

Clearly, then, the work could be carried out using SMART techniques which is contrary to Helvetia's position on the claim.

And I think X has been left in an unfair position by Helvetia's actions. It's made a mistake in its rejection of the claim, and that means X has been left to pay the cost of a repair that would normally be covered under the policy.

So, the fair solution is that Helvetia refund the cost of repair (£453.60) to X, less the amount it's already paid (£125.00). Interest at 8% simple also need to be added to this amount from the date X paid the repairer, to the date Helvetia make payment.

### **My final decision**

It's my final decision that I uphold this complaint. I direct Helvetia Global Solutions Ltd to pay X £328.60 plus interest at 8% simple from the date X paid the repair invoice to the date this payment is made.

If Helvetia Global Solutions Ltd considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell X how much it's taken off. It should also give X a tax deduction certificate if they asks for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Helvetia Global Solutions Ltd must pay the amount within 28 days of the date on which we tell it X accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 5 June 2024.

Richard Sowden  
**Ombudsman**