

The complaint

Mr R complains that One Insurance Limited delayed repairing his car following a claim made on his motor insurance policy. He wants it to repair or replace his car and to compensate him for his trouble and upset.

What happened

Mr R's car was taken for repairs following an incident in February 2022. Parts were ordered in May 2022, but these were delayed. Mr R was unhappy that he wasn't immediately provided with a courtesy car. One Insurance offered Mr R £300 compensation, but he wanted his car repaired or to be provided with an alternative.

Our Investigator recommended that the complaint should be upheld. He thought the policy provided for a courtesy car and so One Insurance should have arranged one. He thought it should compensate Mr R £10 a day for the time he was without a courtesy car. And he thought One Insurance should increase its offer of compensation to £500 due to the length of time it was taking to make repairs.

One Insurance didn't respond to the Investigator's view. But Mr R replied that whilst he was happy with the increased compensation, he still wanted his car to be repaired or to be offered an alternative.

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.

Mr R has told us that his car has now been returned to him. I can understand that Mr R felt frustrated that he was waiting so long for his car to be repaired. From what I can see, his car was repaired 20 months after the incident. He said the small courtesy car provided was too small for his family's needs. And I can see that he's worried that his car could have deteriorated after sitting in a parking lot for over a year.

One Insurance has a responsibility to deal with claims fairly and promptly. So I've looked at how it's dealt with Mr R's claim. One Insurance instructed its repairer to make the repairs and provide a hire car three days after the claim was notified, which I think is reasonable. But two weeks later, it told Mr R that the repairer lacked capacity and it was looking for an alternative. Mr R pointed out that his car was unroadworthy and he hadn't been provided with a courtesy car.

A month after the incident, the repairs estimate was authorised, which I think was within a reasonable time. One Insurance told Mr R that courtesy cars were subject to availability. But repairs were delayed due to the lack of parts. One Insurance said this was outside its control. Two months after the incident, repairs hadn't been started and Mr R was still without a courtesy car.

Three months after the incident, Mr R told One Insurance that he'd been provided with a courtesy car by one garage. I can see that Mr R said the car was too small, but it was in keeping with the policy provision. There was now confusion as One Insurance had instructed

a different garage, but Mr R retained the car. There was no estimated time of arrival for the needed parts. And this continued for the rest of 2022.

A year after the incident, One Insurance told Mr R that it would review how to proceed due to the time he'd already waited for repairs. But I can't see that it did this. And One Insurance offered Mr R £300 compensation. But I don't think this goes far enough in the circumstances. I think it's unreasonable to expect Mr R to wait indefinitely for his car to be repaired.

We think that if it looks likely the delay will run into months we'd expect the insurer to consider other options as well. These would include paying for bespoke parts to be made, possibly using reconditioned parts (provided there is no impact on the vehicle's warranty) or treating the vehicle as a total loss. And I think that after six months without an expected date for the needed parts then One Insurance should have acted. But it didn't and I think it should have provided Mr R with other options to resolve his claim.

Our Investigator thought One Insurance should increase its offer of compensation to £500 for the delays. And, as Mr R was kept mobile for much of this time, then I think that's fair and reasonable.

Mr R was unhappy that he was without a courtesy car at the start of the claim. Mr R told us that his car was undriveable, and, in the absence of any further information from One Insurance, I have no reason to doubt him. 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.

In its letter to Mr R after he made his claim, One Insurance told him:

"Replacement Vehicles

For any 'fault' incident, you will be provided with a replacement courtesy vehicle for the duration of your repairs. Should your vehicle be deemed a total loss however, a vehicle will not be provided. In cases where your vehicle is no longer safe to drive, we will endeavour to provide a replacement vehicle as soon as possible, in the event the vehicle can be deemed economically correct to repair. Please be aware, the replacement vehicle is usually a small hatchback under 1200cc..."

So, as Mr R's car was undriveable but repairable, then One Insurance should have provided a replacement as soon as possible for the duration of the repairs. But, when he complained, One insurance told Mr R that a courtesy car was subject to availability. I've looked at Mr R's policy documents provided by One Insurance, and I can see that in the Courtesy Car section on page 9 One Insurance sets out when it won't provide a courtesy car. But these don't include Mr R's circumstances.

The Insurance Product Information Document (IPID) states:

"if you have your car repaired through an approved repairer we will provide you with a courtesy car."

and

"A courtesy car is subject to availability at the approved repairer and is not always guaranteed."

But this is at odds with what One Insurance told Mr R in its letter following his claim and the condition isn't included in the policy document. And so I think One Insurance's terms and conditions are unclear on this point and it failed to reasonably manage Mr R's expectations.

So, to put things right, I think One Insurance should compensate Mr R for the time he was without a courtesy car from the date the repairs were authorised. This is the date when One Insurance should have confirmed that the car was repairable and so Mr R was entitled to a courtesy car. Compensation for loss of use is set at £10 a day.

Mr R now has his car back. He hasn't said that he's unhappy with the repairs or that the car has deteriorated after over a year of not being used. But if he is unhappy then he should complain to One Insurance again to give it a chance to respond. If he remains unhappy, he can then bring any further complaint to us.

Putting things right

I require One Insurance Limited to do the following:

1. Pay Mr R £200 further (£500 in total) compensation for the distress and inconvenience caused by its delays in carrying out repairs to his car.
2. Pay Mr R compensation for the loss of use of his car at the rate of £10 a day from the date the repairs were authorised until the date Mr R was provided with a courtesy car.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require One Insurance Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 23 November 2023.

Phillip Berechree
Ombudsman