

The complaint

Mr J complains about the way Skyfire Insurance Company Limited has handled a claim under his motor insurance policy.

Where I refer to Skyfire, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

- In January 2022, Mr J's catalytic converter was stolen from his car whilst it was parked outside his home during the night. Damage was caused to the front grill, and it was undriveable.
- Mr J made a claim under his motor insurance policy.
- Skyfire accepted the claim but due to industry-wide challenges arising as a result of Covid-19 and Brexit, they were unable to get the car booked in with any of its approved garages.
- Mr J asked for a courtesy car as the delay in getting his car repaired was causing him inconvenience. He explained to Skyfire that he's a key worker and having access to a vehicle is a job requirement for home visits and meetings. In addition, he has a young family and was relying on taxis to do the school run.
- Skyfire declined this request on the basis that the policy only covers a courtesy car whilst Mr J's car is in for repairs, which wasn't the case here.
- Mr J continuously called Skyfire for updates and to stress the urgency of his situation. And in February 2022, almost a month later, Skyfire agreed to provide a courtesy car and to instruct a garage that Mr J had found to carry out the repairs.
- After seven days of having the courtesy car, Mr J was contacted by the hire company to say his rental period had expired. As his car hadn't been repaired yet, he had to call Skyfire to get this extended twice – which required multiple phone calls.
- Mr J's garage did replace the catalytic converter, but they said Skyfire hadn't authorised the repair of the front grill. So Mr J had to contact Skyfire again to ask for it to cover the claim in full – again, requiring multiple calls.
- Mr J complains about the delay in approving a courtesy car, during which time he was incurring considerable costs in taxis. He also had to call around garages to find his own repairer.
- Mr J also complains that he's had to continuously chase Skyfire and every time he calls, he's passed to different departments, sat on hold for long periods of time, and has been cut off without call backs. This has caused a great deal of distress

considering the number of times he's had to call to get his claim progressed.

- Skyfire didn't uphold the complaint, but it agreed to waive the additional policy excess of £250 which is applicable when a policyholder chooses not to use an authorised repairer. It also offered £140 compensation for not offering a courtesy car sooner.
- Mr J remained unhappy, so he brought his complaint to our Service. But our Investigator was satisfied Skyfire had done enough to put things right. As Mr J didn't agree, the complaint was passed to me to decide and in June I issued the following provisional decision.

My provisional decision

I'm not persuaded Skyfire has done enough to put things right here. I'll explain my key reasons why below:

- I accept that the delay in getting Mr J's car repaired by one of its approved repairers was outside of Skyfire's control. But if Skyfire was unable to fulfil its obligations under the insurance policy, then I'd expect it to look into alternative options to minimise the impact to its policyholders.
- Mr J's car was undriveable and he'd explained to Skyfire the impact this was having on him as a key worker and a parent. So whilst his policy only provides a courtesy car "*whilst [his] car is being repaired*", Skyfire wasn't able to get the car repaired. So I think it was fair and reasonable for Skyfire to have provided a courtesy car in the individual circumstances of this complaint to minimise the impact on Mr J.
- Whilst Skyfire did eventually agree to provide a courtesy car, this was almost a month later. And even then, it only approved the courtesy car for short periods at a time leaving Mr J in a position of liaising between the hire company and Skyfire to get the necessary extensions.
- Skyfire did agree to Mr J using a garage of his own choice. But again, this was almost a month later. Given that Skyfire hadn't been able to source a garage itself, it should've allowed Mr J freedom of choice sooner to minimise the delays in getting his car back on the road. And even after it did so, it didn't approve the full repair leaving Mr J in a position of liaising between the garage and Skyfire to get all the damage repaired.
- Skyfire has agreed to waive the policy's additional excess of £250 which is applicable when a policyholder "*choose[s] not to use the insurer's approved repairer*". But it's important to remember that Mr J didn't choose not to use an approved garage, he was happy to do so – rather, Skyfire was unable to source one within a reasonable amount of time. So I'm not persuaded it was fair to apply this excess in the first place, so the gesture of waiving it as compensation to put things right seems inadequate here.
- Skyfire has also offered £140 for its failure to provide a courtesy car sooner. Mr J says this doesn't cover the amount he's spent on taxis, but I haven't been provided with any details of what this amounts to along with his receipts.

Putting things right

- I don't intend to award Mr J's full cost of taxis as I'm mindful he had an obligation to

mitigate his losses, for example by using public transport where possible or seeking lifts from family and friends if he's able to. Instead, I'm inclined to award £10 per day for his loss of use of a vehicle. I calculate it to be 18 days between Mr J making his claim to receiving a courtesy car, so this would be £180 for his loss of use.

- I'm also satisfied that Mr J has experienced a great deal of distress and inconvenience as a result of Skyfire's handling of his claim and I'm inclined to award him compensation of £300 for what's gone wrong.
- For clarity, I'm also directing Skyfire to waive the additional excess of £250, in line with its offer to do so, on the basis that I'm not satisfied it fairly applies here.

Responses to my provisional decision

Neither Mr J nor Skyfire responded to my provisional 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.

As neither party had any further submissions for my consideration, I see no reason to deviate from the outcome explained in my provisional decision.

My final decision

For the reasons I've explained, I uphold this complaint and direct Skyfire Insurance Company Limited to:

- pay compensation and loss of use totalling £480
- waive the policy's additional excess of £250

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 9 August 2023.

Sheryl Sibley
Ombudsman