

## The complaint

Miss S says she received poor service when she made a claim on the motor breakdown and recovery policy she had with AWP P&C SA.

## What happened

Miss S called for assistance on 15 October 2020. Her car was recovered, and she spoke to the garage it was to be taken to. Miss S then returned to her home, hundreds of miles away. As she heard nothing further, after a few days Miss S called the garage and it told her the car had never been delivered to it. So she called AWP. It said it would investigate the matter. After a further wait, Miss S called the firm that was leasing the car to her ('firm Z'). It called AWP and on 28 October 2020 AWP told firm Z that the car was at the wrong garage.

The next day, the car was taken to 'garage A', an approved repairer. Garage A provided an estimate for the repairs, but Miss S thought it was too high. Garage A wouldn't deal with her directly, as AWP had told it Firm Z was the car's owner. On 11 November 2020 Miss S told Firm Z she wanted the car moved to her local garage. It liaised with garage A and then told Miss S that storage charges must be paid before the car could be collected.

Miss S told AWP she wasn't happy with the handling of the recovery or garage A. AWP told her on 4 December 2020 that it had negotiated with garage A to reduce the storage charges, and that AWP would pay half the reduced bill of £680 to get the car released to Miss S. She declined the offer, as she believed AWP had caused the problems leading to the storage charges being made, so it was responsible for them. The charges continued to accrue for the next three months. At that point, garage A agreed to halve the sum due from Miss S. AWP said it would pay the £340 it had offered originally, which left Miss S with a bill of £1,595. Firm Z then paid that sum (which Miss S has to pay it back). She had to pay garage A £120 for the car to be released, plus £800 for the recovery of the car to her local garage.

Miss S says the recovery charge is covered by her policy and that AWP should reimburse all the other sums she's had to pay. As she was without her car for five months, Miss S incurred travelling expenses on taxis, public transport and daily car rental. She also had to continue to pay for a parking permit, as well as for car insurance and leasing fees. Miss S says she faced a lot of stress, plus some loss of income, as a result of having to deal with the situation. She thinks AWP should compensate her for that, too.

One of our investigators reviewed Miss S's complaint. She thought AWP should pay the storage charges, as Miss S wasn't told about them at the start. She said AWP hadn't explained why it led the garage to believe that it should only deal with firm Z. The investigator also thought AWP should pay Miss S's travel costs. She said it should have offered her a replacement car, and that the £800 recovery charge was covered by the policy too. She said garage A had charged Miss S £120 as it didn't recognise her as its customer, so AWP should refund that charge. The investigator also thought it should pay Miss S £500 for distress and inconvenience. She said the cost of her insurance wasn't payable by AWP.

Miss S said the investigator hadn't mentioned the leasing charges she'd paid. She said her annual insurance cover wasn't used for six months. The investigator said Miss S's car had to be insured for perils such as theft whilst it wasn't in Miss S's control. And she said the leasing charges weren't incurred as a consequence of an error on AWP's part. Miss S then sent in evidence to show that the car should have been returned to firm Z in December 2020. As she couldn't return it until April 2021, she said she had to pay firm Z for it until then.

As there was no agreement, the complaint was passed to me for review. I issued a provisional decision as follows:

- *Reimbursement under the policy*

*The policy provides for the delivery of a consumer's car to their home address – or the cost to the consumer of having the car taken there. So I think AWP should reimburse Miss S the £800 she paid for that. The only entitlement to a hire car under the policy is for up to two days, which Miss S appears to have had.*

- *Storage charges*

*I think the major issue to consider here is for what period Miss S should be paid. Miss S had decided by early November 2020 that garage A's estimate was too high, and that her car should go to her local garage. The storage charges arose because she wouldn't allow garage A to carry out repairs, yet the car remained on its premises. It was Miss S's right to make that decision, but it wasn't AWP's fault that she wasn't happy with the estimate.*

*Storage charges began to build up because garage A wouldn't deal with Miss S directly about moving the car. I think that was AWP's fault – and it seems Miss S wasn't told at the start that garage A would be charging for storage. But Miss S's car only arrived at garage A at the end of October 2020 – and firm Z had told her by 11 November 2020 that storage charges had started.*

*Consumers have a duty to minimise costs. I think Miss S should have tried to have the car moved as soon as possible after that point. It seems she faced some awkwardness on garage A's part – but by then, firm Z was liaising with it on her behalf. At the latest, I think it would have been reasonable for her to have accepted AWP's offer to pay half the reduced storage charges that had accrued by 4 December 2020, so the car could be released.*

*Miss S says she didn't accept AWP's offer because she thought AWP should pay the whole amount. And she also thought it should have given her more than just a few hours to consider its offer. But I'm not persuaded that AWP was responsible for more than a small amount of the storage charges up to 4 December 2020. The two-week delay in getting the car to garage A didn't cause the storage charges. I think AWP's responsibility for them is limited to the delay caused by garage A in not dealing directly with Miss S. I haven't seen anything to show that she couldn't have had the car moved in mid-November 2020, and she could definitely have done so when AWP intervened on 4 December 2020.*

*I don't think it was unreasonable for the offer to be made with only a limited time to respond. Miss S had decided weeks earlier that she wanted the repairs to be done elsewhere, and the car couldn't be moved until the storage charges were paid. So it isn't clear why she needed more time to consider the offer. AWP wanted the car moved quickly to avoid further charges, which I think was reasonable. Miss S could have accepted the offer and argued about it later. Had she done so, most of the storage charges would have been avoided.*

- *Other costs*

*I think AWP should reimburse Miss S for the £120 release fee charged by garage A. The charge seems to have made due to the garage having been given the wrong information by AWP about dealing with Firm Z rather than Miss S.*

*Miss S thinks AWP should pay her for the motor insurance she paid on the car for the five months she didn't have the use of it. But in my opinion, the cost of Miss S's insurance isn't an item AWP should contribute to at all. The car had to be insured, so that risks (such as theft) were covered for the whole year. I think it was Miss S's responsibility to pay for that.*

*Miss S also wants reimbursing for the payments she made to firm Z for leasing the car from it. But she'd have had to pay firm Z whilst her car was being repaired, or for any other time she couldn't use it. The liability didn't arise as a consequence of AWP's error. Miss S entered into a rolling contract with firm Z in 2021, as the car should have been returned to it in December 2020. But had Miss S agreed to what I think was AWP's reasonable offer, it could have been returned on time. I don't think AWP is liable for any of the lease payments.*

*Miss S says as the policy covered her for a hire car, she should be reimbursed for travelling expenses when she was without her own car or a hire car. But the policy cover for hire was only for two days, so any travel costs to be reimbursed must flow from AWP's errors.*

*Its initial error delayed the repairs for two weeks initially, so I think AWP should pay travel expenses for that period. Its second error led garage A to deal only with firm Z. That caused some further delay, but as far as I can see, it was no more than a week or two. It appears that Miss S could have had the car moved in mid-November 2020 or shortly afterwards. Repairs would then have commenced - and AWP wouldn't have been responsible for travel costs whilst repairs were done. AWP intervened on 4 December 2020, so I think it should only pay travel costs for Miss S until then, from November 2020.*

*In terms of distress and inconvenience, Miss S was worried about where her car was in October 2020 and AWP didn't update her. The error in taking her car to the wrong garage caused a delay. AWP then gave garage A inaccurate information, which caused further delay. Miss S had to make more calls than should have been necessary - and she also had to contact firm Z to liaise on her behalf. I think AWP's offer of £340 towards the storage charges was an attempt on its part to put matters right. But taking everything into account, I think it would be fair and reasonable for AWP to pay Miss S compensation for distress and inconvenience. I think £150 would be fair.*

I asked the parties to respond to my provisional findings. AWP didn't respond. Miss S repeated many of the points she'd already made, especially about the storage charges. She still thinks it was reasonable for her to refuse the offer made by AWP on 4 December 2021, as she doesn't believe she was responsible for any of the storage charges that had accrued by that point. She doesn't agree that she could have accepted the offer in order to move matters on - and challenged it later. And she thinks it makes no sense for me to hold AWP at fault, yet to say it should pay costs only up to 4 December 2020.

### **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 I said in my provisional decision, I think AWP made errors initially, and I agree that the details it passed on to garage A led to a delay and therefore storage charges. But I remain of the view that Miss S had a duty to minimise costs. She was told by firm Z on 11 November 2020 that storage charges had accrued already. That was only a few days after the car had arrived at garage A, and after she'd decided not to have the repairs done there. Firm Z had

obtained a quote for moving her car at that point. Had it been moved then, the storage charges would have been minimal. Miss A chose to complain to AWP instead, to leave the car where it was and to allow the storage charges to continue.

I still think the offer AWP made on 4 December 2020 to pay half the storage charges was fair. An avoidable extra three weeks of them had accrued by that point. I think that was a direct result of Miss S's decision not to act on or around 11 November 2020. Miss S seems to have declined AWP's offer purely on principle. In her recent comments, she said she put her faith in this service instead - and she thought we'd agree that she'd been treated unreasonably by AWP. I agree that it acted unreasonably in some respects. But that doesn't mean it was reasonable for Miss S to ignore the fact that huge expenses were mounting up.

I still don't think it would be fair and reasonable to require AWP to pay for charges and costs that arose after it made the offer on 4 December 2020, as those extra expenses could have been avoided. But I think it should pay Miss S compensation for distress and inconvenience, and for the costs run up prior to that date that are payable under the policy - or were incurred as a result of its actions - plus interest. I know Miss S will be disappointed with my decision, but in my opinion, it sets out a reasonable way to deal with this complaint.

### **My final decision**

My final decision is that I uphold this complaint in part. I require AWP P&C SA to do the following (subject to receipts / evidence from Miss S):

- Pay Miss S £800 for the relocation of her car and £120 for the release fee from garage A, plus her travel expenses for November 2020 and up to 4 December 2020
- Add interest to the sums above, at the simple yearly rate of 8%, from the date of each expense to the date of settlement
- Pay Miss S £150 for distress and inconvenience

If AWP thinks it's required by HM Revenue and Customs to withhold income tax from the interest, it should tell Miss S how much it has taken off. It should also provide a tax deduction certificate if required, so she can reclaim the tax if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 8 June 2022.

Susan Ewins

**Ombudsman**