

The complaint

Mrs F and her son, Mr F, complain about the way Royal & Sun Alliance Insurance Limited (RSA) handled a claim under a Motability insurance policy.

Because Mrs F has been leading on this complaint, I've referred to her throughout my decision.

What happened

The circumstances of this complaint are well known to both parties, so I've summarised events.

- Mr F leased a car through the Motability scheme - for which RSA provides insurance cover. Mrs F is also a named driver on the policy.
- In August 2023, Mrs F told RSA the car had been stolen. She explained she'd left the keys in the unlocked vehicle. The car, though recovered, had been damaged and so, RSA told Mrs F it would arrange for a repairer to look at it.
- It also said it would arrange a courtesy car, but RSA subsequently cancelled the courtesy car reservation - prompting Mrs F to complain. In response RSA said it had rebooked the courtesy vehicle within an hour of its mistake. But it apologised for providing misinformation and paid Mrs F £100 compensation for what had happened.
- Mrs F made a subsequent complaint about delays in a courtesy car being arranged. RSA explained it wasn't responsible for the actions of the courtesy car agency, but it paid £200 as a gesture of goodwill to recognise the time Mrs F was without a vehicle.
- Approximately one month after the claim was first logged, RSA declined Mrs F's claim. Because there then wasn't a valid claim, RSA said Mrs F wasn't entitled to a courtesy car.
- Unhappy, Mrs F complained. RSA maintained its position and so, Mrs F brought a complaint to this Service saying she was unhappy with how RSA had handled her claim, including the delay in reaching a decision on the outcome of it.
- An Investigator looked at things and upheld the complaint. He explained he couldn't consider the delays in providing a courtesy car because the company wasn't an agent of RSA, but he could look at the claim journey. Having done so, he thought RSA had taken an unreasonable amount of time to decline the claim given Mrs F had told it at the outset that she'd left the keys in the vehicle – which isn't covered under the policy. He said the delay prevented Mrs F from making her own arrangements of sourcing another vehicle, and the impact of this was felt more greatly owing to her location. And so, he said RSA should pay an additional £200 compensation to reflect the difficulties Mrs F experienced.
- In response, RSA said it hadn't been asked to consider a complaint about the delays

in repudiating the claim. The investigator explained Mrs F's complaint was about how the handing of the claim - which included delays – had impacted her and Mr F. He said he was satisfied Mrs F had raised her dissatisfaction about this, and so, it could be considered by this Service.

- He added that as he's unable to consider delays in respect of the courtesy car – as this wasn't the responsibility of RSA – he couldn't, therefore, consider the £200 gesture of goodwill payment RSA had paid in respect of this.
- RSA didn't reply, and so, the complaint has been passed to me for a final 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 agree with the outcome our Investigator reached and I'll explain why. But before I do, it's important to clarify I'm not considering Mrs F's concerns about the availability of vehicles with the courtesy car agency because RSA isn't responsible for the agency's actions. I am instead considering Mrs F's claim journey with RSA - which is what she's complained about. And I'm satisfied this includes its communication with her about her entitlement to a courtesy car as well as how long it took RSA to reach an outcome on the claim.

I'm aware the financial losses Mrs F said she'd experienced – including not being able to attend a holiday - are no longer an issue, so I won't be commenting on this as part of my decision. Nor does Mrs F dispute RSA's decision to decline the claim on the basis that she'd left the car's keys in the unlocked vehicle.

So, what remains is for me to decide whether the additional £200 compensation our Investigator recommended fairly and reasonably reflects the difficulties Mrs F says she experienced as a result of RSA's handling of the claim.

Understandably, Mrs F's car being stolen was a stressful event for her and whilst RSA isn't responsible for the distress and inconvenience this caused, it does have a responsibility as an insurer to deal with claims promptly. Mrs F is aggrieved with how long RSA took to tell her the claim was repudiated and in turn, that she wasn't entitled to a courtesy car, because this meant she was prevented from taking steps to arrange an alternative vehicle herself.

Given Mrs F told RSA that she'd left the keys in the vehicle unlocked, it seems RSA had the pertinent information needed to decide the claim from the start. And as there doesn't appear to have been any ambiguity about the circumstances, I'm satisfied it could have reached a decision on the claim much earlier than it did. And because it didn't, Mrs F unnecessarily waited one month only to be told the claim had been declined and that she wasn't therefore, entitled to a courtesy car.

The inconvenience of this was arguably felt more greatly by Mrs F and her son as they live on an island and needed a car in order to leave it. Because of not knowing where she stood with the claim and a courtesy car, Mrs F had to rely on friends and family for transport in the interim, which was inconvenient. This, coupled with the poor communication regarding Mrs F's entitlement to a courtesy car (prior to the claim being declined) satisfies me that compensation is warranted here, and I'm persuaded an additional £200 is fair and reasonable in the circumstances of this complaint. To be clear, this is in addition to the £100 compensation RSA paid for cancelling a hire car reservation.

I appreciate RSA considers itself to have already paid sufficient compensation, but as I and the Investigator have explained, the gesture of goodwill it made was in relation to an issue this Service isn't able to consider as part of this complaint. And so, doesn't factor into my deliberations. Based on what I've seen, I consider an additional £200 compensation to fairly reflect the difficulties Mr and Mrs F experienced as a result of RSA's handling of the claim.

My final decision

My final decision is I uphold this complaint and direct Royal & Sun Alliance Insurance Limited to pay Mrs F and Mr F an additional £200 compensation.

RSA must pay the compensation within 28 days of the date on which we tell it Mrs F accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 22 February 2024.

Nicola Beakhust
Ombudsman