

The complaint

Mr M has complained that Fortegra Europe Insurance Company Ltd ruined his alloy wheels when he made a claim for their repair under his alloy wheel insurance policy.

What happened

Mr M bought a car and also bought an alloy wheel policy from Fortegra. He made a claim for two of his alloy wheels on his car to be repaired. Fortegra accepted his claim as valid and appointed one of its approved repairers to repair both wheels.

As Mr M needed his car for work, he bought a new alloy wheel allowing him to then get each of the two wheels needing repair, done one at a time.

The approved repairer told Mr M that the first wheel to be repaired was damaged as it fell as an operative was dealing with it and now needed a second repair. When it was ready for collection Mr M noticed it was painted the wrong colour. The second wheel was also painted the wrong colour too after its repair. This meant that three wheels on Mr M's car were now a different colour from one another.

Mr M felt this was a substandard repair and complained to Fortegra. Fortegra offered Mr M £150 including VAT towards the cost of a new wheel if Mr M wanted to replace his wheels. It also offered to appoint another approved repairer or offered Mr M the option to appoint his own repairer and they would reimburse him £150 including VAT per alloy wheel.

Mr M didn't think this was sufficient since it was the approved repairers who had caused the issues. Further alloy wheels can only be diamond cut twice so therefore neither of his wheels could actually be repaired by someone else. So, £150 towards each new wheel didn't compensate him for the loss of two wheels considering they cost more than £1,000 each.

So, Mr M brought his complaint to us. The investigator was of the view that his complaint should be upheld. She thought Fortegra should pay Mr M the cost of two new alloy wheels. If Mr M wanted those new wheels diamond cut, he could ask Fortegra to provide an approved repairer to do so or if he wanted to use his own, Fortegra should provide him with £150 per wheel to cover the cost. Fortegra should also pay Mr M £150 compensation for the inconvenience it caused him.

Mr M agreed but Fortegra said the approved repairer tried hard to work with Mr M, but Mr M wasn't interested. It said Mr M wanted the wheels to look brand new. When Mr M refused to let the approved repairer rectify the wheels, it offered Mr M to use his own repairer and it would pay subject to the policy limits only of £150 per wheel. So, it didn't agree with the investigator's view.

On that basis Mr M's complaint has been passed to me to decide.

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'm upholding this complaint. I'll now explain why.

The policy has the following benefit levels:

*'Alloy Wheel - £150 per claim, Max 10 Claims and £1,500
Tyre - £350 per claim. Max 5 Claims and £1,750'*

The policy terms explain this is as follows for alloy wheels:

'A maximum of ten (10) Alloy Wheel repairs, the maximum amount per repair being £150 including VAT and £1,500 including VAT in total, during the Policy term. In the event that an Alloy Wheel is damaged beyond repair. We will contribute a maximum of £150 including VAT towards the cost of a replacement.'

Under how to claim, the policy says the following:

'Points to note about the claims process

- *The Administrator will appoint an Approved Repairer who will be responsible for completing the necessary work in the event of a successful claim.*
- *We or the Administrator reserve the right to subject the Vehicle to an independent assessment.*
- *For certain Alloy Wheel repairs, it may be necessary to remove the wheel from the Vehicle to be sent to a specialist. Please note that this Policy does not provide for any other costs incurred in such or similar circumstances.'*

There is limited expert evidence from either party on the state of the wheels that the approved repairer repaired. Mr M says both wheels are a different colour from one another so effectively he has three different coloured wheels on his car.

The first wheel which was done Mr M said also has sharp ragged edges and a poor-quality finish. Plus, the paint on the inside is clearly peeling off after only five days. The second wheel is the wrong colour, not the best quality finish and was out of balance.

Mr M has provided evidence that neither wheel can be diamond cut again because they have been refurbished to a poor standard which was detailed by another wheel specialist. They can merely be repainted.

Fortegra said their own approved repairer was willing to redo the wheels but obviously Mr M isn't happy to do that as he has lost confidence in the work that approved repairer would do. On the basis that Fortegra haven't produced any evidence to show me that both wheels were in perfect condition once repaired by its approved repairer or that Mr M's complaints about both wheels aren't substantiated, it follows that I am more persuaded by Mr M and what his independent repairer said as to the state of the wheels. More so it doesn't seem rational to attempt to repair these wheels again as Fortegra have offered, even by another wheel specialist of Mr M's choosing, given alloy wheels can't be re-diamond cut multiple times as that would render them unsafe. In any event Mr M did go to another repairer and their verdict was simply that they couldn't be repaired. So, I consider Fortegra's option to rectify matters for Mr M isn't that rational or fair here.

When an insurer nominates an approved repairer to do the work, that insurer is liable if the work is substandard to include if whatever was being repaired can't now actually be repaired again. In that situation an insurer such as Fortegra, is then responsible for replacing the item(s) being repaired. This is because it's under a duty to put the policyholder back in the same position as he should have been but for the substandard repair. The evidence I have is that these wheels cannot now be repaired so that Mr M is put back in the position he should have been in, but for the substandard repair.

Therefore, I consider it's reasonable that Mr M now needs to buy two new alloy wheels and have a diamond cut repair, if he requires it, carried out on them again. This would put him back in the position he would have been in had the approved repairer done the repairs as they ought to have done in the first instance. And since all this emanates from Fortegra's liability for the poor workmanship of its approved repairers, the policy limits other than the cost of the diamond cut aren't relevant. Therefore, Fortegra should reimburse Mr M for the costs of the new wheels, plus pay its policy limit on the cost of a diamond cut on both wheels. This is because the most Mr M could ever claim for the diamond cut is the benefit limit on this policy. Mr M then can decide if he wishes Fortegra to appoint another approved repairer to carry out the diamond cut on the two new alloys, or whether he would like to use a repairer of his choice. Should he choose to use a repairer of his choice then Fortegra should reimburse him up to £150 including VAT per alloy wheel as per his policy terms and conditions. Interest should be added from the date Mr M bought new wheels and had them diamond cut as I understand he has already replaced these wheels on safety grounds.

This has put Mr M to considerable inconvenience, trouble and upset. I consider the £150 compensation the investigator suggested to be reasonable and fair. It's also in line with our approach on such issues as more fully detailed on our website.

My final decision

So, for these reasons, it's my final decision that I uphold this complaint.

I now require Fortegra Europe Insurance Company Ltd to do the following:

- Reimburse Mr M for the cost he paid for two new wheels, once Mr M forwards it the invoice.
- Reimburse Mr M up to the policy limit for a diamond cut on both alloys once Mr M forwards it the invoice if Mr M chooses his own wheel specialist to do this. Or appoint its own approved repairer to do so up to the policy limit.
- Add interest of 8% simple per year from the date Mr M paid these invoices to the date it refunds him to include if Mr M chooses his own wheel specialist to do the diamond cut.
- If income tax is to be deducted from the interest, appropriate documentation should be provided to Mr M for HMRC purposes.
- Pay Mr M £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 April 2024.

Rona Doyle
Ombudsman

