

The complaint

Mr M complains about the service he got from One Insurance Limited (One Insurance) after he made a claim on his car insurance policy.

One Insurance is the underwriter of Mr M's policy, so it's his insurer. This complaint is, in part, about the actions of one of One Insurance's agents. As One Insurance has accepted it's accountable for the actions of its agents, any reference to One Insurance in my decision includes its agents.

What happened

Mr M says his car was hit and damaged by a deer that ran into the road as he was driving along. He notified One Insurance of his claim immediately the accident happened.

Mr M says it took One Insurance five hours to recover his car. And he says the recovery vehicle One Insurance sent wasn't allowed to carry him and Mrs M as passengers, so they then had to get a taxi to complete their journey home.

When Mr M complained about One Insurance's delay in recovering his car, it offered him £150 in compensation for the distress and inconvenience it had caused him, as well as £31.97 to reimburse him the taxi cost. I understand Mr M has accepted One Insurance's offer, which has been paid, so I won't be looking at this issue in my decision.

Mr M says there was then an 18-day delay by One Insurance in getting his car repaired. During that time, Mr M says One Insurance didn't give him the use of a courtesy car. Mr M also says he spent over 10 hours in online chats and made numerous phone calls to One Insurance and its agents, trying to find out what was happening with his car repair. Mr M says he lives in a rural location, without public transport, so not having the use of a car was very inconvenient. In response to Mr M's complaint about the delay in getting his car repaired, One Insurance apologised and offered him £100 in compensation.

Mr M didn't think this compensation adequately reflected the inconvenience and stress One Insurance's handling of his claim had caused him, so he brought his complaint to us.

The investigator who looked at Mr M's complaint upheld it. She recommended One Insurance pay Mr M additional compensation of £200 (on top of the £100 One Insurance had already offered but which I understand it hasn't paid Mr M) for the distress and inconvenience its handling of his claim had caused him. She also said One Insurance should pay Mr M £10 a day for each of the days he didn't have the use of a car.

Mr M accepted our investigator's view but One Insurance didn't respond to it. So Mr M's complaint came to me to decide. In my provisional decision of 22 January 2024, I explained that, while I intended to uphold Mr M's complaint, my conclusions on the compensation I thought One Insurance should pay Mr M differed from our investigator's in one respect.

One Insurance hasn't responded to my provisional decision but I've had some comments from Mrs M on it. So Mr M's complaint has now come to me for a final decision.

As I mentioned in my provisional decision, I understand Mr M has also complained to us about his car being returned to him with further damage after One Insurance repaired it. Because that's a separate complaint, I won't be looking at this issue in my 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, for the reasons I gave in my provisional decision, I've decided to uphold Mr M's complaint. In that decision I said:

“Under insurance industry rules and guidance, One Insurance needed to handle Mr M's claim promptly and fairly. From what I've seen, I don't think One Insurance did this.

One Insurance accepts its initial authorised repairer was unable to repair Mr M's car or give him the use of a courtesy car, which his policy entitled him to while his was being repaired. And One Insurance accepts it was only after further contact from Mr M that, 18 days later, his car was taken to a different garage for repair and he was given the use of a courtesy car. For these failings, as I've mentioned, One Insurance has offered Mr M £100 in compensation.

Mr M has shown us numerous and lengthy online chats and says he made numerous phone calls to One Insurance and its agents, trying to find out what was happening with his car repair. Mrs M, on Mr M's behalf, says they were constantly being passed “from pillar to post”, and told they'd be getting a courtesy car, which then kept getting delayed. Mr M and Mrs M describe how inconvenient this was for them. And Mr M has said how stressed and frustrated he felt in those initial 18 days.

I think Mr M experienced distress, upset and worry as well as inconvenience and disruption because of the way One Insurance handled his claim in the first 18 days. For this, I think it's fair and reasonable to direct One Insurance to pay Mr M £300 (this includes the compensation One Insurance has already offered him of £100) for the impact this had on him.

As I've mentioned, One Insurance didn't give Mr M the use of a courtesy car. Our investigator said One Insurance should pay Mr M £10 for each day he didn't have the use of a car. We've recently asked Mr M what costs he incurred in getting around because of this. Mrs M, on Mr M's behalf, says they had the use of a family member's car in this time and also shopped online.

So it seems Mr M didn't incur any additional financial costs because of One Insurance not giving him a courtesy car. If I'm wrong about this and Mr M did incur any costs – such as getting his name added to another car insurance policy – please could he or Mrs M let me know. But based on the information I've been given, I don't think it would be fair and reasonable to award Mr M the compensation of £10 a day our investigator recommended. That's because the idea of a payment for not having the use of a car is to compensate people for any extra costs incurred as a result of this and I can't see that Mr M did incur any extra costs as things stand. Of course, it might well have been inconvenient for Mr M to have to ask his family member to use their car and to do his shopping online, if this wasn't something he was used to doing. But, as I've already said, I intend to award Mr M £300 in total for the inconvenience and distress One Insurance caused him.”

As I've mentioned, One Insurance hasn't responded to my provisional decision. But Mrs M has given us some comments, both in writing and over the phone to our investigator. I'd like to reassure Mrs M that I've read her comments (as well as all the other information she and Mr M have sent us) and listened to her most recent call with our investigator.

Mrs M has clarified that Mr M only had the use of a family member's car once, to make a specific visit to another relative. She says they didn't arrange to hire a car themselves because One Insurance kept telling them in numerous phone calls and online chats that they'd get a courtesy car as soon as theirs was taken to a garage for repair. Mrs M has also reiterated how inconvenient and stressful all of this was.

I've taken on board Mrs M's comments but they don't change my conclusions on this aspect of the complaint. I fully understand why, in the circumstances, Mr M didn't arrange to hire a car. But the fact remains that he didn't, and he hasn't shown us he incurred any additional financial costs because of One Insurance not giving him the courtesy car he was entitled to. So, for the reasons I gave in my provisional decision, my view remains that it wouldn't be fair and reasonable to award Mr M £10 a day for not having the use of a car.

My final decision

For the reasons I've given in my provisional decision (which now form part of this final decision), I uphold Mr M's complaint and direct One Insurance Limited to pay him £300 in compensation for the distress and inconvenience its handling of his claim in its first 18 days caused him.

For the avoidance of doubt, this represents an additional £200 in compensation on top of the £100 One Insurance Limited has already offered (but not paid) him.

One Insurance Limited must pay this sum within 28 days of the date we tell it Mr M has accepted my final decision. If it doesn't, One Insurance Limited must pay simple interest on it at the rate of 8% a year from the date of my final decision to the date of payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 March 2024.

Jane Gallacher
Ombudsman