

The complaint

Mr B complains about the quality of repairs to his vehicle under a claim on his motor insurance policy with Zurich Insurance PLC (Zurich).

References to Zurich in this decision include their agents.

This decision covers the issues raised in Mr B's complaint to this Service and events in this case from the incident causing damage to Mr B's vehicle, through the handling of the claim and repair work to the vehicle to its return to Mr B, his complaint to Zurich and their final response issued in September 2023. It doesn't cover events after this date, except as context for what happened.

What happened

In October 2022 the bonnet catch on Mr B's vehicle failed while he was driving on a motorway, causing the bonnet to fly up into the windscreen and hit the vehicle roof. Mr B contacted Zurich to tell them about the incident and lodge a claim. He also provided photographs of his vehicle, which was recovered to his home.

Zurich appointed an engineer (CI) to inspect the vehicle and assess the damage. CI inspected the damage and concluded it was repairable (estimated repair costs of £5,158)

Because it was a classic vehicle, Zurich weren't able to offer an approved repairer to carry out the work, so they asked Mr B to nominate a repairer. Mr B found a repairer (ABS) who said they were a repair specialist for the make of Mr B's vehicle. They provided an estimate of £4,990 for the repair work to Zurich at the beginning of December 2023, which was approved towards the end of the month, although part of the work was excluded as it was deemed to be a maintenance issue (corrosion).

Mr B's vehicle was with ABS from December 2022 through to July 2023, due to various issues with the repairs, parts availability, incorrect parts delivered and other (non-claim related) work on the vehicle. When his vehicle was returned, Mr B didn't think the work had been carried out to an appropriate standard and the vehicle roof wasn't repaired. The vehicle also had water inside and surface rust (which Mr B thought the result of the vehicle being left outdoors without its bonnet) and also suffered mechanical problems which weren't present before it was taken in for repair.

Mr B contacted Zurich to tell them about the issues and was told they'd paid ABS for repair work in March 2023, on the basis of a statement the repair work had been carried out to Mr B's satisfaction. Zurich also arranged for engineers (LCA) to carry out post-repair inspection of the vehicle, which they did later in July 2023. In their report, they concluded Mr B's concerns about the quality of repairs were justified and that rectification should be carried out. A diagnostic check of the vehicle running was also recommended.

Unhappy at the time taken to repair his vehicle, issues with the quality of repairs and the additional mechanical issues, Mr B complained to Zurich. He was also unhappy at Zurich

paying ABS in March 2023, including a customer satisfaction statement that he said he hadn't signed.

In their final response, issued in September 2023, they didn't uphold the complaint. They said Mr B's vehicle was taken to ABS following the incident for repairs. ABS had asked Zurich for an advance payment for the cost of repairs in March 2023, to enable them to order parts and other repair materials. Zurich acknowledged the issues with the quality of repairs, saying the vehicle was booked in for rectification work in October 2023.

Because he wasn't happy with the quality of repairs and the additional; mechanical problems, Mr B had the vehicle taken to a different garage (IB) in October 2023. Zurich arranged for a further engineer inspection by a firm (LCA) later in October 2023. In their report LCA recorded several issues with the vehicle, including bonnet alignment and not locking; damage to the bonnet rear edge; dent to the front roof panel; and the vehicle not in running order (though it wasn't clear this was related to the original incident).

Mr B then complained to this Service. As well as concerns about the quality of repairs and the additional mechanical issues, he'd been without his vehicle – a valuable classic - for over a year. He'd also paid £245 to have his vehicle taken to IB, which Zurich hadn't recognised. Zurich also said he had to contribute towards the cost of the repairs because there was a rust spot on a panel, which Zurich said was a maintenance issue (not damage caused by the incident, so wouldn't be covered under the claim). As he thought Zurich had failed to ensure the repairs had been completed to a satisfactory standard and additional mechanical issues arose, before paying the repairer, he wanted Zurich to have the vehicle repaired to a satisfactory standard and the mechanical issues addressed.

Our investigator upheld the complaint in part. He thought Zurich had done what he expected them to do when the vehicle was returned to Mr B with the issues he subsequently raised. The investigator didn't think Zurich managed the repair process well or communicated satisfactorily with Mr B, concluding they should pay £250 for distress and inconvenience and ensure there were periodic updates on progress with the rectification and resolution of the other issues with Mr B's vehicle.

Mr B disagreed with the investigator's view and asked an ombudsman to consider the complaint. He didn't think the investigator's view resolved the core issue, which was that his vehicle hadn't been repaired satisfactorily and returned to him in its pre-incident state. Nor had Zurich managed the claim appropriately. The investigator hadn't considered issues after the date of Zurich's final response in September 2023. And Zurich paid ABS for repairs that hadn't been completed.

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.

My role here is to decide whether Zurich have acted fairly towards Mr B.

The key issue in Mr B's complaint is the quality of the repairs carried out on his vehicle following the incident, as well as what he says are other mechanical issues that weren't present before the vehicle was taken in for repair. He's also unhappy at the length of time taken for the repairs to be carried out and Zurich paying for repairs in March 2023 when the repairs weren't complete and subsequently found to have issues.

Given its importance to the complaint, I've first considered the handling of the claim and the associated repairs, including their quality and other mechanical issues Mr B says weren't present before the incident.

On the sequence of events following the incident, I think Zurich acted as I would expect in the circumstances. They arranged for an engineer inspection of the vehicle to assess the damage and estimate the cost of repairs. As a classic vehicle, I think it was reasonable for Zurich to ask Mr B to nominate a repairer (ABS) outside Zurich's own approved network of repairers. And for Zurich to request an estimate from ABS for the cost of repairs; to have their engineers review and approve the estimate – including not approving work (in respect of corrosion) that wasn't caused in the incident and so wouldn't be covered under the policy.

Having got to this point, the issue then was the amount of time taken by ABS to carry out the repair work. Mr B has provided a detailed timeline of the repair process and I can see the repairs took much longer than expected. Without going into the detail, it's clear there were issues in obtaining parts; incorrect and defective parts being supplied and then having to be re-ordered. So, Mr B's vehicle wasn't returned to him until July 2023, nearly seven months after it was first taken to ABS. While Zurich approved the appointment of ABS to carry out the repair work and the repair scope and estimated cost, I can't hold them directly responsible for the delays caused by ABS.

However, from what I've seen from the case notes provided by Zurich, they didn't proactively manage the process as I would have expected. It may have been they took the request for advance payment of the invoice submitted by ABS in March 2023 to indicate the repair work was complete, or nearly complete, given it was supported by a customer satisfaction confirmation – which I'll come onto separately. Notwithstanding this, I've concluded Zurich should have been more proactive in managing the claim and progress with the repair work.

I've then considered events after the vehicle was returned to Mr B in July 2023, when he raised issues about the quality of repairs and other issues. When Mr B raised his concerns, Zurich appointed an engineer (LC) to carry out a post-repair inspection of the vehicle to assess the condition of the vehicle. Looking at the report's conclusions, it agreed Mr B's concerns were justified and that rectification work would be needed to address the various issues identified in the report. It also recommended a diagnostic check for the engine running issues. As a response, I think Zurich acted as I would have expected where a policyholder raises concerns about the quality of repairs. So, I think they acted fairly and reasonably in this respect.

At the time of their final response, they said the vehicle was booked in for rectification work – although it subsequently appears Mr B had the vehicle taken to another garage (where there was a further inspection). Thereafter, I can see there were discussions between ABS and Zurich about the rectification work, which ABS agreed to carry out (subject to agreement of what would be covered under the claim and what would be additional). While these events happened after Zurich's final response (and so are outside the scope of this decision) it does indicate Zurich seeking to arrange for the rectification of the issues identified to take place.

Turning to the specific issue of payment for the repairs, from Zurich's file I can see CI authorised the repairs to be carried out in an email dated January 2023 (£3,588.70 plus VAT, including a deduction of £450 plus VAT for the work not covered under the claim). There's also an invoice for this amount from ABS to Zurich dated March 2023, the covering email from ABS describes as a request for advance payment. There's also a 'Customer Satisfaction Confirmation' document which appears to bear Mr B's signature (although the print quality of the document is very poor, so difficult to read). Mr B says he didn't sign the certificate and the vehicle wasn't returned to him until July 2023.

Mr B raised the issue of this payment as part of his complaint, saying ABS paid for repairs that hadn't been completed and which weren't of an appropriate standard when his vehicle was returned. I appreciate the point, but as this was a payment from Zurich to ABS, it's an operational decision for Zurich to pay the invoice, as an advance payment, together with the evidence and information from ABS to support the request (including the veracity of the Customer Satisfaction Confirmation). It would be for Zurich to consider whether they had been misled or otherwise provided with inaccurate information, and what action they might consider. As an operational business issue between Zurich and ABS as a supplier, it isn't something that falls within the remit of this Service or this decision, as my role is to decide whether Zurich have acted fairly towards Mr B.

Having reached these conclusions, I've considered what Zurich should do to put things right. While outside the specific scope of this decision, I would expect them to engage with Mr B to ensure the necessary rectification work of the issues identified with the repairs is completed satisfactorily, whether through ABS or an alternative repairer. And the other mechanical issues to be investigated.

On my conclusion Zurich weren't proactive as I would have expected in managing the claim and progress with repairs, then I think this would have meant distress and inconvenience for Mr B from the repairs taking longer than anticipated (notwithstanding the primary responsibility for this lies with ABS). Having regard to the circumstances of this case and the published guidelines from this service, I think £250 compensation for distress and inconvenience would be fair and reasonable.

My final decision

For the reasons set out above, it's my final decision to uphold Mr B's complaint in part. I require Zurich Insurance PLC to:

- Pay Mr B £250 compensation for distress and inconvenience..

Zurich Insurance PLC must pay the compensation within 28 days of the date we tell them Mr B accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 June 2024.

Paul King
Ombudsman