

The complaint

Mr B has complained that U K Insurance Limited (UKI) failed to repair his car properly following his claim under his motor policy.

What happened

Mr B's car was stolen and recovered six hours later by the police on 13 December 2022. He had bought it in March 2022, and it was an older car from 2013 in excellent condition. It was damaged so Mr B made a claim to UKI for its repair. He thought it would be repaired by a main manufacturer of his make of car. However, his car was repaired by other approved repairers instead. Mr B was very unhappy at the length of time the repairs took, the standard of the repairs, the additional damage caused by the delay and the fact that parts were obsolete. He thought his car should have been deemed a total loss.

As Mr B felt his car still needed significant further repairs some caused also by the delay, he brought his complaint to us.

In Mr B's complaint form, he listed the following:

- The police thought his car had been used to transport stolen goods as it appeared a motor bike had been put on the back seat.
- He was unhappy his car wasn't being repaired by a main manufacturer repairer for his make of car. He had taken out an insurance policy from the main manufacturer dealer who had sold him the car which apparently was to ensure his car would be repaired to the manufacturer's specifications. He made a complaint about this, but it wasn't upheld.
- Following the theft, the car was being stored but because UKI didn't pay the storage charges to bring the car to approved repairer for evaluation on 21 December 2022 didn't occur. That caused a delay.
- When the approved repairer saw the damage, he was told it was likely his car would be written off. That changed in mid-January as then it was decided it would be repaired.
- On 28 March 2023, he was told his car was repaired and ready for collection. But when he saw it the damage to parts of both the interior and exterior had not been repaired. The approved repairer said those issues were 'wear and tear.' However, when Mr B showed evidence that he bought the car in March 2022 with an approved warranty given the good condition of the car, further repairs ensued.
- On 14 April 2023, he said he was told his car was ready to pick up again. But when Mr B saw his car, the further repairs hadn't been completed.
- On 28 April 2023, he said he was told yet again his car was ready, but he found ten repairs outstanding. The approved repairer said UKI hadn't agreed to these further repairs.

- Mr B said he asked UKI again if his car could be written off. UKI never responded to this. He then complained and was awarded £300 compensation. He was told the outstanding repairs would be completed in late June 2023.
- On 27 June 2023, Mr B said he was told his car was now ready. But the approved repairer told him, UKI hadn't agreed all the repairs, so some were outstanding.
- At that time, an offer for cash in lieu was talked about given some of the parts required were obsolete.
- Also, Mr B said he had talked to his finance company who he said thought the car should have been written off. He said he then contacted this service who he said told him it was his right to ask for the car to be written off.
- So, on 13 July 2023 he formally asked UKI to write the car off as compensation for the varying matters still outstanding. He was offered £1,006.56 cash in lieu for the obsolete parts and that all other incident related repairs had been completed.
- Then UKI re-opened his complaint and paid him a further £300 compensation inclusive of £13.68 for mileage costs. But before that on 14 July 2023 UKI's engineer implied the car could be written off, but he was awaiting the salvage value.
- Regardless on 19 July 2023, Mr B went to collect his car. The approved repairer told him some further cash in lieu might be offered for further parts now also obsolete.
- Mr B said at that time no repair had been made for chips in the front bumper following the original repair; two alloyed wheels weren't repaired or were poorly repaired; a cash in lieu payment was due for interior rear door leather panel as it still had a foot print on it; front passenger front seat badly repaired black marks left; back seats had additional scratches on them; driver seat remained damaged; boot gas lift arm now damaged; new scratches to rear bumper.
- On driving the car out of the approved repairers on 19 July 2023, warning lights came on the dashboard to include a tyre being underinflated.
- When Mr B told UKI about the remaining repairs plus the warning lights on the dashboard, he was told he should bring it to this service's attention except for the warning lights issue which it agreed needed repair. Which couldn't be done until 31 July 2023.
- And that in July 2023 when he first brought his complaint to this service the £1,006.56 cash in lieu wasn't paid and neither was the £7,740 cash in lieu payment for the seat covers.
- In April 2023 Mr B's policy was due to expire and he had to renew with UKI so that he could keep the hire cars provided by UKI. He was also told at that stage he couldn't SORN the car either. So Mr B is aggrieved at having to pay car tax and insurance for a car he couldn't drive.
- He believes had the approved repairer listed all the repairs at the outset which it didn't do, his car would have been written off. The warranty he paid for was to ensure only genuine parts were used. Also, his warranty demanded the car should have been serviced in April 2023, which wasn't done so his warranty was lost. More importantly the approved repairer said the costs of the repair amounted to 60% of the value of the car which meant it should have been written off.
- Mr B thinks he should now be paid compensation of £3,030, not for the loss in value of the car having to be repaired. but the loss of value due to the extensive delay in repairing his car altogether. As it removed his ability to sell the car before the additional loss in value. He said an online auction site valued his car at £22,605 in April 2023 but on 18 June 2023 the value had dropped to £19,575.

- Mr B thinks that because of the delay he paid road tax of £215.24 and finance payments of £2,944.60 when he had no use of the car and that should be refunded via a compensation payment. Or at least the interest on the finance payments of £1,158.80.
- Mr B thinks compensation to the value of the insurance premium of £976.04 should be awarded also given the delays and the time he couldn't use his car either.
- Mr B said he incurred loss of earnings in repeatedly going to pick his car up, for it not to be ready. He thinks he should receive compensation for this in the sum of £240.
- Or otherwise, the car should be written off and Mr B should be paid the market value of at least £24,000.

UKI did keep Mr B in a hire car for most of the time of the repairs. Given the make and model of Mr B's car, UKI said some of the parts were also obsolete. It said it paid him £1,006.56 as a cash in lieu settlement for some of the obsolete parts. It also paid him a total of £600 compensation including £13.68 for some mileage costs. It thought some of the issues Mr B was claiming now related to wear and tear.

UKI's final response letter of 18 July 2023 explained it wouldn't uphold any loss of earnings, car/road tax, finance payments, insurance premium payments along with any decrease in the value of the car. This is because these issues are specifically excluded in the policy. It was happy to pay for the repair of Mr B's driveway as one of the hire cars had an oil leak plus the further £300 compensation mentioned above inclusive of the mileage costs.

After Mr B brought his complaint to us, he said that on 31 July 2023 his car wouldn't start. So, he had to pay for a recovery costing £174.40. His car was recovered to a garage who charged £140 inspection fee. That showed his car needed a new battery at a cost of £543. Plus, the front brake pads costing £640.20 and brake discs of £1,336.20 and rear brake pads costing £287.87. Along with £85.30 for a pollen filter, £85.86 to fix the boot strut, £320 for a required oil change and lastly £350 for a full inspection. Total cost £3,648.43. He asked UKI to resolve this. They agreed a hire car extension to 14 August 2023 and would look at the matter. But ultimately UKI said these repairs were for Mr B to pay himself.

The investigator was of the view that UKI should pay the recovery service fee in July 2023 given it wouldn't start. Plus, the cost of the new battery at that time. Also, as one of the hire cars Mr B was given by UKI had an oil leak, the investigator thought UKI should pay the costs of cleaning Mr B's driveway. However, he didn't think UKI needed to pay for any replacement brakes given that would have been wear and tear rather than theft related or indeed replacement back seats and other issues which Mr B had raised.

UKI accepted the investigator's view, but Mr B didn't. He felt since his car was missing for six hours being driven by the thieves it could be possible the brakes were worn then as the MOT prior to the theft didn't indicate there was anything wrong with the brakes, neither did the MOT done by the approved repairer which was of a concern to him. Mr B was of the view that his water pump needing replacement due to the delays with the repair and that it caused a leak on top of a bolt which had also corroded. He thought UKI should pay the costs of the water pump replacement of £937.54 plus possibly the bolt replacement too of £479.40 for the bolt replacement. It should also pay for the oil change his car required which he believed was also caused by the delay. He said as he and his partner had no children or pets, his rear seat damage was not 'wear and tear'. He said the police told him it seemed the thieves had put a motorbike on the back seat. He said it would cost £7,400 odd to fix the seats. He also explained that the service wasn't done in accordance with his warranty terms. He also listed that three of the four alloy wheels had damage which wasn't there before the theft. The gas boot arm was damaged, plus there was a scratch to the bumper. Lastly, he had an issue with the MOT which was done which didn't pick up salient issues either.

Mr B said if the compensation payment was raised to £3,000, he could accept that in order to move on.

So, on that basis Mr B's complaint was passed to me to decide.

I issued a provisional decision on 26 June 2024, and I said the following:

'Having done so, I'm upholding this complaint for further issues than the investigator. I'll now explain why.

First, I want to thank Mr B for his patience for the delay in dealing with his complaint. When I first was allocated his complaint, I considered there was a substantial amount of missing information from UKI's file which I then asked for. This included the initial repair estimate, plus all its communications with Mr B. That took a considerable time to obtain plus also to work through.

I'm afraid there remains a lack of clarity over what repair work UKI and the approved repairer agreed to do once they had assessed the damage to Mr B's car and what they thought then (as against later) was incident related damage or instead wear and tear. Further there is no dispute that the repair of Mr B's car took an exceptionally long time which UKI have compensated Mr B in the sum of £600 less his mileage costs. Therefore, given the car was in the approved repairers for this extended length of time, it's obviously possible some other issues might arise consequently as well. However clear evidence on all this is also missing to a large extent here. Many of Mr B's extra costs is evidenced by estimates from a garage, rather than a report from any inspecting engineer who had appraised themselves fully with the circumstances of the theft and possible damage caused in the theft. Along with an appraisal of what damage might have occurred given the very long delay from the date of the theft in December to when UKI said finally the car was all completed in July 2023. Further I would have expected much more coherent evidence from UKI initially as to the costings of the repair before the approved repairer began any repairs.

I am still unaware how UKI came to its decision to repair this car on economic terms. On its claims file which it forwarded to us on my instigation (as it wasn't included previously) it said on 6 January 2023, that it told Mr B it spoke to the approved repairers on 29 December 2022 who were about to send over the estimate, but it hadn't been received by that time. It then phoned the approved repairers on 12 and 13 January 2023 but didn't get a response. Then on 16 January 2023, the car was confirmed to be on site. There was a note about a missing page in an invoice (not sure what invoice) on 17 January 2023. Following that on 17 January a call was made to Mr B that parts were on order, and once they have the lock set and seat pads the car might be driveable until they get the other parts in. However, on 25 January 2023, full authorisation couldn't be given, as they were still waiting for parts. The approved repairers were still waiting for parts on 10 February 2023 too. Parts had arrived by 17 February which were the lock set and seat pads I believe, and as Mr B wanted to sell his car, they will discuss this with him. So UKI were to review it again next week. However, on 27 February 2023, Mr B had called UKI concerning liability issues on a car hire claim, however it was evidence that the repair of his car was now underway. Also, on 27 February the approved repairers said parts are still needed for cables and trim in the interior but no ETA from the manufacturer. Then the approved repairers said the car had been repaired on 28 March 2023. Throughout all of this there appears to be no evaluation of the costs of the repairs or indeed the value of Mr B's car nor indeed whether it was economical to repair. The only estimates available are from this time onwards.

In those estimates which are undated and uncosted but believed to be around March 2023 it says the following:

'Parts / Panels Requiring Renewal

N10867601 CLAMPS ;L.R OUTER LAMP; R.TRIM COVER; INTERIOR LAMP FRAME; FRONT READING LAMP; L.F WHEEL; R.F WHEEL; INN REAR PANEL TRIM; UPP WHEEL WELL TRAY; LOCK CYLINDER SET; SHIFT BUTTON COVER; GLOVEBOX; LWR WHEEL WELL TRAY; L.R BACKREST COVER; R.F DOOR TRIM RR; LEFT MIRROR COVER; RIGHT MIRROR COVER; PARTITION NET; LUGG COMPARTM BLIND; L.Boot TRIM COVER; EMERGENCY KIT; REAR UPPER COVER; MOUNTING CLAMP.

Parts / Panels Requiring Painting

LEFT FRONT DOOR REPAIR PAINTING <50%; L/R DOOR REPAIR PAINTING <50%; REAR COVER BUMPER REPAIR PAINT PLASTIC.

Additional Items

CAR CARE KIT; E.P.A. CHARGE; POST_REP_DIAG_CHECK; PRE_REP_DIAG_CHECK; 2 x R/ALLOY REFURBS; REAR SEAT REPAIR; KEYS CODING.'

UKI were able to provide a costed estimate but with an inspection date of 31 July 2023 which was issued on 4 August 2022. The total cost of repairs then was £11,414.48. However, that doesn't confirm to me what the situation was in January 2022 when UKI decided to repair this car after Mr B was initially told by the approved repairer it might be a total loss. Neither does it confirm any idea of what UKI might have thought the market value of Mr B's car was either.

I don't consider therefore that UKI provided a clear indication of any consideration as to whether it was better to repair this car or indeed write it off. And I would have expected far more transparency on this issue, which might have helped Mr B to understand matters better.

As against that Mr B must understand though it is always the insurer's decision to repair a car or write it off, not the policyholder's decision. This is what the policy stated which the investigator pointed out to Mr B. And since UKI decided to repair this car then that is how the matter should be dealt with in my view. Further now it has some benefit for Mr B as I will discuss below.

There is also little evidence about whether all the further issues Mr B has incurred with his car is incident related, or repair related, or even repair delay related. Mr B's car was manufactured in 2013, therefore it is an older car, which sadly complicates matters.

The investigator thought UKI should pay £174.40 being the recovery fee when the car wouldn't start, plus the cost of a new battery of £543. He also thought the cleaning of his drive from a hire car's oil spill on receipt of an estimate which Mr B has now produced at £594 should be paid. I agree this is proper and appropriate.

However, the issue with the seats damage and especially the back seat was accepted in the estimates both costed and uncosted above. I think consequently it's

irrelevant whether UKI have a problem with what the police told Mr B. I can't see unfortunately how UKI came to a cash in lieu figure of £1,006.56 as parts were obsolete either. I understand these costs were for the front arm rest cover and the left rear door trim. I consider the front arm cover is part of the seat however, unless either party can tell me otherwise. Mr B has produced an invoice from a main manufacturer which details the relevant new seat covers at a cost of £7,740. I consider UKI should pay this sum. Mr B said he never received the payment of £1,006.56. So, if UKI can show its payment of this cash in lieu amount reached Mr B's bank account then it can reduce this cost by the amount of this sum which related to the arm rest cover. Otherwise, I think it should pay the whole amount.

The reason for this is that Mr B's car seats were white leather. I've seen some limited photos of what they were like before the theft. They appeared to be spotless. Mr B said he has no children or pets and only his partner and himself used the car. And I've seen extensive photos of what they looked like after the theft when the car was in the police compound taken by Mr B, which shows parts were very heavily marked and in other parts, slightly less so but remaining quite stained looking. Therefore, I don't consider the limited refurbishment done by UKI is adequate given the issues Mr B has raised about them. Not for white in excellent condition seats which Mr B has shown me.

Mr B also listed that three of the four alloy wheels had damage which wasn't there before the theft. The gas boot arm was damaged, plus there was a scratch to the bumper. These are relatively minor issues all of which in my view could have easily been caused in the incident, and I consider UKI should pay to fix them on receipt of an invoice or estimate (if Mr B hasn't already included that).

Mr B has told us that all of these issues and some of which he already paid himself (which is difficult to work out) and some which he simply can't afford to pay himself has put significant financial strain on him.

Given the car's age plus the fact there was no advisory on the MOT done in March 2023, I'm less convinced that the brake issues were caused either in the incident or sitting in the approved repairer for too long so would be more likely to be wear and tear. I'm afraid the likelihood of the MOT not being done properly in March 2023 is far too remote in my view. That clearly gave no advisory about the brakes.

Likewise, I don't consider the water pump or the rusting bolt either of which could have caused the other according to Mr B's estimate/invoice from the approved repairer could be caused by either the incident or sitting in the approved repairer for too long either. Again, I think given the car's age, the likelihood is that these are a standard wear and tear issue.

Once you make a claim under a motor policy and it is accepted the entire premium is then payable. This is because a motor policy insures the car so when it gets damaged as here, as a result of the theft, and is then repaired, an 'insured event' for which the premium was rated occurs. Payment of premium by instalments is a concession too by many insurers but in contract law the premium is paid up front. Therefore, there would never be any consideration for a partial refund of premium or compensation equivalent to that refund premium once the claim is paid and accepted.

And neither is the amount of road tax paid, or the number of instalments for a loan used to buy the car in the first place, considered by me to be at all relevant to UKI's

duties here. I consider it is an adequate loss of use compensation when the policyholder was kept in a hire car throughout, as Mr B was.

Neither have I seen any evidence of Mr B's actual loss of earnings as he has claimed. Or indeed the warranty terms. There is always an extensive issue of inconvenience when your car sadly gets stolen, and whether your insurer then decides to repair it or indeed deem it a total loss. UKI has paid adequate compensation already for its part in the delay aspect which is in accordance with our stance on the matter plus a mileage cost. I consider this is reasonable. Our stance on compensation is also available on our website.

Also, as UKI has explained there is no cover in the policy for loss of value due to the repairs or indeed the incident happening either. I consider instead that the theft and the damage caused in the theft, was what delayed Mr B possibly selling his car as he told UKI very early on in the process, that he was considering selling it.

I do consider that if Mr B had understood the reasoning properly and transparently why his car was being repaired instead of being written off, Mr B wouldn't have got so distressed by this matter. So, in addition to the delays issues which I consider UKI has compensated Mr B adequately for I also consider it should now pay another £150 compensation given how difficult its lack of transparency on the repair made things for Mr B.'

Mr B responded saying that when he first raised the complaint in 2023 payment from UKI was due for the interior centre console and the interior nearside door leather panel. This was paid by UKI in 2023 and included some payment for labour which his invoice did not. He also said payment was made by UKI for cleaning the drive. He also clarified that the payment UKI said it made of £1,006.56 was paid but UKI deducted his excess of £500 from this payment.

He explained the breakdown for the £1006.56 was as follows:

L/R Door Trim – (Door) ----- = £660.00 +Vat
Front Arm rest cover----- = £144.80 + Vat
Total Labour to fit both parts ----- = £34.00 + Vat
Total inc vat for the obsolete parts ----- = £1,006.56

He also feels that as he paid his premium in full for the policy year April 2022 to March 2023, he was made to take out a new policy in March 2023 because otherwise he would lose the hire car provision. This was solely because UKI were still repairing his car. But it meant he couldn't choose a new insurer as was his right. He cancelled this new policy with UKI in September 2023. But that he just wanted to move on from this matter now so he didn't have to deal with UKI again so he would agree whatever I decided UKI would pay provided UKI paid it.

UKI also responded. It confirmed Mr B's car was inspected by engineers but not until the complaint stage. It attached the workings out for the £1006.56 payment which included the Front arm rest cover and L/R door trim plus the deduction of the £500 excess.

It also said it had made a payment of £594 in March 2024.

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 again, it appears both Mr B and UKI are in agreement that the payment of £1006.56 was made albeit UKI deducted the excess payable. The excess was properly payable here as of course there is no other entity who could have refunded that to Mr B given his car was stolen.

Therefore, the cost for the replacement seat covers should now be less the payment of £1006.56 for the parts of the invoice that relate to those parts included in this £1006.56 payment.

Furthermore, the driveway cleaning costs have also been paid by UKI as confirmed by Mr B.

UKI also said it had made a payment of £594 in March 2024. I assume that was for the driveway cleaning costs although UKI didn't identify it other than saying my provisional decision was also asking for that payment with interest. The driveway cleaning costs weren't attracting interest though – the costs of the recovery and new battery which Mr B most definitely paid himself are attracting interest and the total cost of both does not amount to £594. The total costs of the recovery and battery amounts to £717.40.

Turning to Mr B's point of UKI keeping him in a hire car meant he had to renew his policy with UKI when he didn't want to. The continuing hire car provision would have been a reasonable loss of use given the delay in the repairs and would have been claimable from UKI. However, that would have meant Mr B would have had to physically fund the remaining hire car issues and run the risk of making that loss of use claim. So, I consider the fact the policy was renewed from March 2023 to September 2023 and then cancelled provided Mr B with the benefit of the hire car he would have had to otherwise fund and reclaim afterwards. I consider that was a useful benefit to Mr B albeit I do understand why he wasn't happy at having to do it. But given all of his circumstances then, it was one less thing to fund as he would have been funding a new policy for a car still being repaired which might have caused other issues. So, all in all I consider this policy renewal probably benefited Mr B more than it might have disadvantaged him.

My final decision

So, for these reasons I'm upholding this complaint for further reasons than those of the investigator.

I now require U K Insurance Limited to do the following:

- Pay Mr B a further sum of £150 compensation for the lack of clarity over the decision to repair his car.
- Pay the cost of the replacement seat covers less what part of the £1006.56 payment related to any duplication of parts in Mr B's estimate/invoice for the seat covers.
- Pay the costs of the repair of the three alloy wheels, boot arm and the rear bumper.
- Refund Mr B the recovery fee of £174.40 plus the new battery of £543. Adding interest of 8% simple per year from the date Mr B paid these amounts to the date it refunds him. If income tax is to be deducted from the interest, appropriate documentation should be provided to Mr B for HMRC purposes.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 August 2024.

Rona Doyle
Ombudsman