

## The complaint

Mr L has complained about the lack of available van hire and delays caused by an approved repairer (AR) of U K Insurance Limited trading as Direct Line (UKI). Mr L made a claim for repairs to his van under his commercial van insurance policy.

## What happened

Mr L made a claim for damage to his van to his insurer, UKI. UKI arranged for Mr L's van to be repaired by an AR in September 2023.

Mr L required a hire van for the duration of repairs. But a hire van wasn't available until 19 days into the repair time. Mr L complained about the delay in providing alternative transport. He said he had lost earnings as he needed a van to carry out his work.

In October 2023 UKI upheld Mr L's complaint. In line with the policy, where an alternative van hasn't been provided, it agreed to pay Mr L £15 a day for travel expenses. But it didn't agree to pay for loss of earnings. It said the policy didn't provide cover for this.

For the inconvenience caused, it offered to pay Mr M £150 compensation. It said a hire van was available from 17 October 2023, but Mr M rejected this.

Mr M told us that the reason why he rejected the hire van on 17 October 2023 was because the AR told him his van would be ready the following day. He provided evidence of calls he made to the AR and evidence from contractors of jobs he'd lost out on during this period as they were cancelled and/or given to other traders to complete.

Our Investigator issued three views. During this time UKI made an alternative offer to resolve Mr L's complaint.

While it accepted there were delays by the AR, it thought Mr L could have mitigated his losses by contacting it directly when the AR kept moving the repair completion date.

It proposed paying Mr L £20 a day for the 40 days it took to repair his van, so £800. And to pay Mr L £350 compensation.

In his final view, the Investigator recommended UKI meet Mr L's claim for loss of earnings based on the evidence provided. He found from the AR's notes that it had told Mr L each time he'd called over a period of three weeks from 17 October 2023 that his van would be ready in three to four days. So he could see why Mr L didn't contact UKI to ask for a hire van each time – as it seemed the repairs were about to be completed.

The Investigator recommended UKI pay Mr L £200 for the inconvenience caused.

Although UKI's policy says it doesn't provide cover for loss of earnings, the Investigator explained that his view was based on what was fair and reasonable.

UKI didn't agree. It says it believes its offer is fair and so the case 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.

I understand UKI's policy doesn't provide cover for loss of earnings. But we look at each case on its own merit and what is fair and reasonable overall.

When Mr L's van was taken in for repairs, he expected in line with the policy to be provided with a replacement van. He explained that he needed a van to carry out his work.

Unfortunately a replacement vehicle wasn't available until 17 October 2023. I can understand this caused Mr L considerable inconvenience. He has provided persuasive evidence of the work he lost during the time his van was being repaired at the AR which we have shared with UKI.

I don't agree that Mr L failed to mitigate his losses. I think the AR failed to manage his expectations over a further three week period which was unreasonable. With hindsight, had Mr L known it was going to take a further three weeks, I agree he should have contacted UKI. But each time he was led to believe it would be a further few days. So I can understand why he continued to chase the AR and relied on what it told him.

So I agree with the Investigator's recommendations to put things right in this case which is set out below.

### **My final decision**

My final decision is that I uphold this complaint. I require U K Insurance Limited trading as Direct Line to do the following:

- meet Mr L's claim for loss of earnings as evidenced for the duration of repairs.
- Pay Mr L £200 compensation for the inconvenience caused.

U K Insurance Limited trading as Direct Line must pay the compensation within 28 days of the date on which we tell it Mr L accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 12 September 2024.

Geraldine Newbold  
**Ombudsman**