

## The complaint

X complains about how Marshmallow Insurance Limited (Marshmallow) handled a claim under their motor insurance policy.

References to Marshmallow in this decision include their agents.

## What happened

In November 2023 X was attacked on her driveway, resulting in damage to the windscreen and two side windows of their vehicle. X reported the attack to the police and was given a crime reference number. X contacted Marshmallow to report the incident, providing the crime reference number and images of the damage.

Initially Marshmallow passed details of the claim to their motor repair network (M). But having contacted M, X was told they didn't deal with glass repairs and windscreen damage, so would return the claim to Marshmallow. Marshmallow then contacted X to advise them to call a windscreen repair firm (N) to arrange replacement of the windscreen and side windows.

However, N told Marshmallow they couldn't deal with X's claim because with any vandalism claims with more than two panels worth of damage they couldn't provide glass cover. This meant Marshmallow had to re-instruct M to deal with the claim.

X was then contacted by a firm saying they wanted her to take the vehicle to their facility for images of the vehicle to be taken and engineers to advise on the next steps. However, the facility was some distance from X, so they asked for the vehicle to be repaired locally. X contacted two private car glass repairers in their area and was quoted £800 to replace the damaged windscreen and side windows.

X was unhappy at the time being taken to arrange replacement of the windscreen and side windows, particularly as the private car glass repairer said it wouldn't take more than a day. They wanted her vehicle to be repaired locally, or for them to have it repaired locally and for Marshmallow reimburse them for the cost. So, they complained to Marshmallow.

Before Marshmallow responded to her complaint, X complained to this Service, unhappy at what had happened and delays arranging for their vehicle to be repaired. They were also unhappy at not being provided with a courtesy car following the damage to their vehicle.

We asked Marshmallow to consider the complaint. They issued a final response in January 2024, partially upholding the complaint. They set out the sequence of events, saying M had been trying to contact X from mid-December to mid-January to recover the vehicle for repair. As X hadn't responded, the vehicle hadn't been repaired. Marshmallow said that as they considered the delay was due to X not responding, they wouldn't uphold this aspect of the complaint. On the issue of a courtesy car, Marshmallow said the policy provided for a courtesy car when the vehicle was with a repairer, but not for glass claims.

However, Marshmallow did accept that in the period from mid-November to mid-December, the delay in arranging repairs was due to them. X was left not knowing who was handling the claim and they had to chase them for updates on what was happening. X had tried to contact them through live chat for updates, but Marshmallow hadn't provided the information requested, due to miscommunication between Marshmallow and M. In recognition of the shortcomings, Marshmallow offered £75 compensation.

X wasn't happy with Marshmallow's final response, saying the degree of inconvenience suffered merited higher compensation. And they hadn't been given a courtesy car even though the policy provided for them to have one.

Our investigator upheld the complaint, concluding Marshmallow hadn't acted fairly. He noted the sequence of events and X experiencing delays after notifying Marshmallow of the incident. The investigator concluded the delays to mid-December were due to Marshmallow, with a significant impact on X. X was also without a courtesy car. Had the vehicle been collected by M for repair, a courtesy car would have been provided (if available). And if the vehicle had been accepted by M in the first place, repairs could have been arranged sooner, and a courtesy car provided. Given the initial delays were due to Marshmallow, he thought they should pay an additional £200 compensation (a total of £275).

Marshmallow disagreed with the investigator's view but increased their compensation offer to £100 (which X rejected). The investigator also reviewed the case, concluding £200 compensation would be appropriate. Marshmallow rejected this figure. As agreement couldn't be reached about the level of compensation, the complaint has been passed to me to consider.

### **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 Marshmallow have acted fairly towards X.

The key issue in X's complaint is how Marshmallow handled the claim for the damage to their vehicle. X is unhappy at the length of time taken to handle the claim and that they weren't provided with a courtesy car. Marshmallow accept they were responsible for the delays from mid-November to mid-December but say subsequent delays were due to M being unable to contact X to arrange collection of the vehicle for repairs. On the courtesy car issue, Marshmallow say the policy provides for a courtesy car (where available) while a vehicle is with an approved repairer (but not for straightforward glass repairs/replacement).

On the first issue, Marshmallow accept they were responsible for delays in handling X's claim from when X notified them of the incident to Mid-December. This was due to the claim being initially assigned to M, who returned it and Marshmallow then assigning it to N, who also returned it. Only at that point did Marshmallow assign it to M for a second time. Marshmallow accept there was miscommunication between them and M, leading to the redirection to N, who also couldn't deal with the claim.

After mid-December, the issue appears to be M being unable to contact X and (according to Marshmallow) X wanting the vehicle to be repaired locally. As X didn't respond to the repair firm appointed by M, they cancelled the job, meaning X's vehicle wasn't repaired by them (as referred to in Marshmallow's final response). From what I've been told, the vehicle was repaired locally at the beginning of January 2024, the cost of which Marshmallow covered.

Looking at the sequence of events, it's clear initial delays were due to Marshmallow, though not after mid-December. Marshmallow also accepted X tried to contact them several times through live chat, but they weren't able to provide the information requested.

Taking all these points together, I think X suffered avoidable distress and inconvenience for which Marshmallow were – and accepted – they were responsible. I'll consider what I think Marshmallow should do to put things right after I've set out my consideration of the second key issue in the complaint.

On the courtesy car issue, in their final response Marshmallow says a courtesy car wouldn't be provided for glass repairs, but it would (subject to availability) be provided while a vehicle was with an approved repairer.

On the first aspect, *Section 9 – Glass Damage* states the cost of repair/replacement of broken glass windscreens or glass windows will be paid, providing the work is carried out by an approved repairer. No mention is made of a courtesy car being provided under this section of the policy, so I think it reasonable to conclude a courtesy car wouldn't be provided.

However, in this case, replacement of the windscreen and side windows was eventually assigned to M, when N said they wouldn't be able to carry out the repair/replacement. In this situation, Marshmallow refer to Section 8 of the policy – though the policy document they provided includes *Section 5 – Provision of a courtesy vehicle* which states:

*“If a valid claim is made under this policy, and the insured vehicle is to be repaired by one of our approved repairers, the repairer will provide you with a courtesy vehicle (subject to availability) for the duration of the repairs.”*

Looking at this, I think the policy terms are clear, that a courtesy car would have been provided had X's vehicle been collected by M (or the repairer nominated through M). However, in the circumstances of this case, this didn't happen for the reasons set out above, as M were unable to contact X to arrange collection of her vehicle.

However, given what happened in the initial stages of the claim, there were delays for which Marshmallow were responsible. As well as the distress and inconvenience the delays caused X, had the claim been accepted and progressed by M in the first place, I think it likely the claim would have progressed more quickly, which may also have meant X receiving a courtesy car more quickly. So, I've concluded there was an element of loss of opportunity for X, which would have added to their distress and inconvenience.

Taking these conclusions together, I've concluded Marshmallow haven't acted fairly and reasonably, causing X distress and inconvenience. I've considered the circumstances of the case alongside the published guidance from this Service on our approach to awards for distress and inconvenience. I've concluded £200 would be fair and reasonable.

### **My final decision**

For the reasons set out above, it's my final decision to uphold X's complaint in part. I require Marshmallow Insurance Limited to:

- Pay X £200 compensation for distress and inconvenience.

Marshmallow Insurance Limited must pay the compensation within 28 days of the date we tell them X 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 X to accept or reject my decision before 19 December 2024.

Paul King  
**Ombudsman**