

The complaint

Mr M complained that Royal & Sun Alliance Insurance Limited (“RSA”) should’ve deemed his car was beyond economic repair and provided him with a cash settlement for his car. He was unhappy with the general level of customer service and delays with RSA completing the repairs to his car. RSA was providing a motor insurance policy.

What happened

Once RSA started dealing with Mr M’s claim, he became frustrated at the lengthy process that he endured. The car had to be returned several times to the repairers and Mr M felt RSA should’ve written his car off and offered him a cash settlement.

RSA explained that the policy allows it to decide how to deal with a claim. It also explained that had it known at the start of the process about some of the additional repairs that were required, it may have driven a different outcome. However, given the costs it had incurred on the initial repairs, it said it wouldn’t have been an option financially to provide a cash settlement as it was already a long way committed down the route of repairing the vehicle.

Mr M was keen to understand in detail the repair journey for his car and the cost of this process. RSA explained it wouldn’t normally share all this detail with customers, but it did agree to send some of the engineer’s reports relating to Mr M’s vehicle, with some of the commercially sensitive information redacted.

Mr M was unhappy with further delays he experienced in getting his car repaired. RSA apologised for the inconvenience this caused and paid Mr M £100 compensation.

Our investigator decided not to uphold the complaint. She thought RSA had reasonably explained to Mr M its rights under the policy to deal with the claim as it decided. Whilst there were issues on the repair journey, she thought RSA was trying to provide the information to Mr M that he requested, and she thought it had fairly compensated Mr M for the distress and inconvenience caused. Mr M disagreed, so the case has been referred to an ombudsman.

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 reviewed the evidence, I’ve decided not to uphold this complaint. I’ll briefly explain why.

I’ve checked the terms and conditions of the policy and it states: *“if you make a claim, you must be prepared to take any steps we ask you to take to protect your rights. You must also be prepared to allow us to act in your name and take any steps we feel are necessary to protect your rights. This may mean that we defend or settle the claim in your name. If this happens, we will pay any costs and expenses involved.”*

This essentially means RSA can take what decisions it thinks are correct to get a fair outcome on the claim for Mr M. So, I’ve considered whether I think it has made decisions that are reasonable for both parties. In other words, decisions that have meant Mr M has

been put back in the position he was in before the incident and that don't expose RSA to commercial risks beyond its responsibilities under the insurance contract.

RSA has already said, had it known about the full extent of repairs required on Mr M's car it may well have opted for a cash settlement route as opposed the repair route. However, when I look at the information it based its decisions on, I can't say it has acted unfairly. The information shared with Mr M, shows in May 2024, the repair costs were 76% of the car's value. So, theoretically, it wasn't beyond economic repair.

Unfortunately, there were other issues that came to light during the repair process, which means the repair costs will have gone up further. However, I think it's likely the repair costs remain lower than the market value of the car. What I'd also say, that given RSA had spent the initial repair outlay, it wouldn't make commercial sense from its perspective to then cash settle the car. It was pragmatic getting the repairs completed. I'm pleased the car has now been tested and is back in a condition like before the incident.

If the initial repair costs were much higher, then I would've expected RSA to write off the vehicle as this would've been the easiest solution for both parties. But given, it made the decision in good faith at the time based on the information available, I can't say RSA has acted unfairly. And as Mr M is back in the same position as he was in before the incident, I can't say he's suffered financially.

I've considered the general level of service and further delays Mr M has suffered. I need to clarify, my jurisdiction in this decision is only to cover the complaint that was raised and dealt with in RSA's final response on 20 June 2024. Additionally, it's worth noting there was a final decision also on 8 May 2024, which has been dealt with under a different decision. So, here I'm only considering the issues in this 6-to-7-week period.

Principally, this related to further repairs being required in respect to the bumper. I appreciate the whole claim journey has been lengthy and frustrating for Mr M. However, compensation has already been considered pre-8 May 2024. So, I won't comment further on this. RSA compensated Mr M a further £100 for the issues in this later period. I think this is fair for the inconvenience caused and the likely level of frustration / distress.

Mr M did say he lost £5,000 when he decided to sell his car (when compared to the value RSA put on the car). I have asked Mr M to provide any evidence he may have that his car had been de-valued. He said he didn't want to ask RSA to do further rectification works on his car, as he didn't want any further distress. I haven't seen evidence to show Mr M raised further points with RSA that needed to be addressed.

Unfortunately, Mr M hasn't been able to provide any evidence to support his car was de-valued. Whilst I'm not disputing what he's said, it wouldn't be reasonable for me to award any compensation for financial loss without evidence to support it. So, I'm not able to uphold this.

My final decision

My final decision is that I don't uphold this complaint. I don't require Royal & Sun Alliance Insurance Limited to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 January 2025.

Pete Averill

Ombudsman