

The complaint

Mr G has complained about the way his motor insurer, Marshmallow Insurance Limited ('Marshmallow'), dealt with a claim he made on his policy.

Marshmallow is the underwriter of this policy i.e., the insurer. During the claim Mr G also dealt with other businesses who act as Marshmallow's agents. As Marshmallow has accepted it is accountable for the actions of its agents, in my decision, any reference to Marshmallow includes the actions of the agents.

What happened

In July 2023 Mr G's car was broken into and parts were stolen from it. Mr G claimed under his Marshmallow policy for the cost of the repairs.

Mr G soon became unhappy with how the claim was being handled. He said there were delays in the car being taken to a garage and that it had to be taken to a second garage as the first one was closed. He said this caused a four-five week delay during which time the car was in storage. Mr G said there was also a delay in him being given a replacement car which meant that he had to use taxis in the meantime. He said the repairs were further delayed due to the garage saying that parts were unavailable.

Mr G initially brought his complaint to us in August 2023 at which point the car was still in for repairs.

Mr G complained to Marshmallow in October 2024. He said he had been waiting for months for his car to be repaired but there was no progress. He said that he had been informed by the manufacturer that there was no shortage of available parts despite the garage saying there was. He said as a result of the delays he suffered a significant loss of use of his car. He added that the replacement car he was provided with was not a like-for-like replacement for his car and didn't meet the needs of his family.

Marshmallow responded to the complaint in November 2024 and offered Mr G £100 compensation and apologised for the delays and the breakdown in communication between its agents and Mr G. It said that the unavailability of parts was outside its control and was an ongoing nationwide issue. In terms of the courtesy car, it said as per its terms and conditions this would be a small hatchback and not a like-for-like replacement.

Mr G referred the matter to our organisation again in February 2024 as the issues were still ongoing. Mr G said that the car had still not been repaired and that when he chased the garage he was told that the car had been delivered to him already and that he'd signed a satisfaction note, which wasn't the case. He felt this was fraud and complained to Marshmallow.

The car was returned to Mr G in March 2024 but he didn't think that the repairs were carried out to a good standard. He said that the dashboard was showing a number of faults and the key fob wasn't working so he had to unlock the car manually.

In April 2024 Marshmallow responded to Mr G's complaint about the delays and about the satisfaction note which was signed on his behalf. Marshmallow accepted that there were delays due to staffing, capacity issues and lack of car parts. It also accepted that the satisfaction note had been signed on Mr G's behalf without the car being returned to him. It said that it had attempted to return the car but Mr G initially declined because he didn't trust that the repairs were done to a satisfactory standard. It said during that time it arranged for a rear wiper blade to be replaced and replaced the rear camera which had also been stolen, at its own expense. It said if it hadn't, and the car had been in for an MOT it would have failed. It offered Mr G £300 compensation overall.

One of our investigators reviewed Mr G's complaint and felt it should be upheld. Our investigator said there were unreasonable delays and also poor service especially relating to the satisfaction note which was signed on Mr G's behalf. He felt a total £600 compensation should be paid to Mr G. In relation to loss of use our investigator said we could consider this for the period that Mr G was without a replacement car but as Mr G hadn't been able to provide further information in relation to this claim our investigator didn't make a separate award for it. He added that despite requesting engineer's reports, Marshmallow didn't provide copies. He said it should arrange and cover repairs to Mr G's car following the issues he raised since his car was returned to him showing various error messages.

Mr G agreed with our investigator's view. Marshmallow agreed to pay the additional £200 compensation and attached the engineer's report and said it was confident that all accident-related damage had been rectified by the garage.

Our investigator shared the report with Mr G. Mr G said there was a further report prepared in December 2023 which Marshmallow hadn't shared.

Our investigator maintained his view. He responded to Marshmallow and said that Mr G had provided images which show that there were error messages on the dashboard and given that repairs were done to the steering wheel and dashboard he thought it was more likely than not that this was accident-related damage.

Marshmallow said that the issue of poor repairs wasn't previously raised with it so it asked for this to be set up as a separate complaint.

Our investigator responded once more to Marshmallow and said that he was satisfied that the issue of the poor repairs was linked to the second complaint when Mr G initially refused to take the car back so he felt he could consider those issues as part of the present complaint.

Marshmallow didn't respond so the matter was passed to me to decide.

I agree with our investigator in that I think the issue of the quality of the repairs was linked to Mr G's previous complaints. Even if I didn't, I can see that our investigator raised this issue with Marshmallow in July 2024, even before he issued his view in August 2024. So,

Marshmallow has had ample time, certainly more than eight weeks, to investigate this. I have, therefore, decided to proceed with my decision.

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.

This complaint has been going on for some time but I note that a number of issues were resolved by the time the file came to me. My understanding is that Mr G's main complaint is about the delays and the quality of the repairs, and this is what I will be focusing on in this decision. No discourtesy is intended by this, and I would like to reassure the parties that I have considered all the information I was provided with.

Mr G's policy covers him for loss or damage to his car caused by, amongst other things, theft, malicious damage or vandalism. It also provides for a courtesy vehicle while repairs are ongoing, subject to availability. This would be provided by Marshmallow's approved repairer.

Mr G was unhappy about the long delays he experienced since the incident in July 2023. Marshmallow accepts there were unreasonable delays and has agreed to pay Mr G £600 compensation for the delays and the quality of the service it provided including the garage signing the satisfaction note on Mr G's behalf. I think this is fair and reasonable and in line with awards we would make in similar circumstances. Mr G's car wasn't returned to him until March 2024 and though some of the delays may not have been within Marshmallow's control, I think the majority were. For example, the delay in the repairs getting started in the first place. I also think the service it provided, particularly the issue with the satisfaction note, was poor. In making this award I have also borne in mind that Mr G was given a replacement car for the majority of the time his car was in for repairs so Marshmallow has somewhat mitigated the inconvenience the delays were causing Mr G.

I appreciate that Mr G didn't feel that the courtesy car met his needs but under the terms and conditions Marshmallow only had to provide a small hatchback. So I don't think its actions were unfair or unreasonable in this regard.

I can see that Mr G was in hire between 23 August 2023 and 22 March 2024. Mr G initially said he wanted to claim for loss of use for his vehicle but as our investigator said, though we would be minded to make a loss of use award for the time Mr G had no hire car or his own car, we would still require evidence in support of such a claim. Nevertheless, as our investigator said the inconvenience Mr G suffered during this time is something we have both considered in making the £600 overall compensation award.

After Mr G's car was returned to him he didn't feel that the repairs were done to a good standard and provided photographs of error messages he was getting on his dashboard and said one of the buttons on the steering wheel was also not working. Marshmallow said it didn't think that those errors were related to the accident, and it was satisfied by the repairs carried out by its approved repairers. I agree with our investigator and I also think that, on balance, these errors are accident related. I say this because the damage to Mr G's car included damage to the steering wheel and dashboard. So I think Marshmallow should

arrange for this to be rectified.

My final decision

For the reasons above, I've decided to uphold this complaint.

Marshmallow Insurance Limited must arrange and pay for Mr G's car to be repaired following the issues he raised after his car was returned to him. Mr G has already paid his excess so he doesn't need to pay it again.

It must also pay him £600 in total (so a further £200 in addition to the £400 it had already paid) for the distress and inconvenience it caused Mr G in the way it dealt with his claim.

Marshmallow Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr G accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

If Marshmallow Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr G how much it's taken off. It should also give Mr G a tax deduction certificate if he asks for one so he can reclaim the tax from HM Revenue & Customs if appropriate.

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

Anastasia Serdari
Ombudsman