

The complaint

Mr A says Brightside (his broker) and its agent provided poor service that caused him financial loss when he called for assistance on his motor breakdown policy.

What happened

Mr A's car broke down late on a Saturday night in August 2021. He called a number for Brightside and wasn't aware that the call was answered by its agent ('firm S'). An advisor confirmed he had valid breakdown cover and put him through to 'firm C'. Firm C told Mr A he *didn't* have cover. Mr A disputed that, but he was told if he wanted help, he'd have to pay firm C £183. Mr A felt he had no option, given that he was stranded with the car.

Mr A called Brightside two days later about a refund, as advised by firm C. Brightside's advisor told him his breakdown cover was with 'firm R', not firm C. Mr A said if so, then firm S had made an error in referring him to firm C. He said that as firm S was acting as Brightside's agent in dealing with its calls, Brightside was responsible for that error.

Brightside said the policy documents it had sent to Mr A made it clear his breakdown cover was with firm R, so he should have called firm R for assistance. It said firm S only dealt with claims that could be made on the motor insurance policy he'd bought through Brightside (such as collisions) not claims on the breakdown policy. It said it had referred the matter to firm S for investigation. It also said it would ask firm R whether it would refund the sum Mr A had paid to firm C. But firm S didn't resolve the issue, so Mr A was left out of pocket.

One of our investigators reviewed Mr A's complaint. The investigator noted that Brightside thought Mr A was at fault, partly it seems because in its view he should have called firm R, not Brightside, and partly because when he called Brightside's number, he chose the wrong option (claims). The investigator thought Mr A should have called firm R and said that had the policy documents been available to him at the time, he would no doubt have done so.

The investigator also noted that when Mr A called Brightside's number, firm S's advisor could see he had breakdown cover, but put him through to the wrong breakdown firm. In the investigator's opinion, firm S was acting as Brightside's agent, so Brightside was responsible for its actions. The investigator said Brightside should refund Mr A half the charge made by firm C and pay him £75 for distress and inconvenience.

Brightside said firm S had made the error, which firm S had investigated before issuing a final response letter to Mr A. It asked for a review of the complaint by an ombudsman. I issued a provisional decision, also upholding Mr A's complaint, but changing the remedies slightly, as follows:

I don't think it was unreasonable for Mr A to call Brightside when his car broke down. Many consumers wouldn't be able to recall which breakdown service they were with. But Brightside had arranged Mr A's motor, legal and breakdown policies, so he knew it would have a record of them. I think it was fair enough for Mr A to have a reasonable expectation of Brightside being able to connect him to his breakdown service, or at least supply its number.

In my opinion, an average consumer, given the option of 'claims' by a broker's answering service, would think that option appropriate when asking for help on a breakdown policy. I think most consumers would think they were making a claim on that policy. I note that Brightside hasn't told us what option it thinks would have been more suitable, but it seems Mr A didn't have the option to choose 'breakdown cover'. So I don't think he was at fault.

In my opinion, there's no doubt that firm S made the error that led directly to Mr A having to pay again for breakdown cover when he'd already bought a breakdown policy. So the question is whether firm S was acting as Brightside's agent at the time.

Brightside says it wasn't, as firm S only deals with the sort of queries arising from claims on the motor insurance policy. But whatever its remit was supposed to be, it seems firm S's access to Brightside's records wasn't limited to the motor insurance policy. Otherwise, I can't see how its advisor was able to confirm to Mr A that he had breakdown cover and refer him on for assistance (albeit to the wrong firm). It seems the advisor wasn't aware that she shouldn't have dealt with Mr A's request - and that Brightside hadn't put in place a system or guidance to prevent her from doing so.

Mr A hasn't received a response from firm S following its investigation of the matter (despite it having told Brightside a letter was issued) so we don't know what its findings were. But from the limited information available to me, I'm minded to conclude that firm S was acting as Brightside's agent in dealing with Mr A's call, whether it was supposed to do that or not.

Mr A has told us about the significant financial impact on him and his family of having to pay £183 unexpectedly in order to get his car home. I think he was very distressed and worried, as well as inconvenienced, by the consequences of what happened. I'm minded to conclude that it would be fair and reasonable for Brightside to refund to him the full amount charged by firm C, plus interest. I also think it should pay him £100 compensation for distress and inconvenience.

I asked the parties to comment on my provisional findings. Mr A accepted them, and Brightside didn't comment.

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.

As there were no objections to my provisional findings, there are no other points to consider, so - for the reasons stated above - I think it would be fair and reasonable for Brightside to reimburse Mr A £183, with interest, plus £100 compensation .

My final decision

My final decision is that I uphold this complaint. I require Brightside Insurance Services Limited to do the following:

- Reimburse Mr A for the £183 he was charged by firm C
- Add interest to that sum, at the simple yearly rate of 8%, from the date Mr A paid it to the date of settlement
- Pay Mr A £100 compensation for distress and inconvenience

If Brightside thinks it's required by HM Revenue and Customs to withhold income tax from the interest, it should tell Mr A how much it has taken off. It should also provide a tax deduction certificate if required, so he can reclaim the tax if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 July 2022.

Susan Ewins

Ombudsman