

## **The complaint**

Mrs H complains about how W E Bedford Insurance Services (Wimbledon) Ltd referred her to an accident management company following a claim she made after her car was hit.

## **What happened**

Mrs H held a motor insurance policy via W E Bedford – an insurance broker. When her car was hit while parked in October 2019, she called W E Bedford to make a claim.

W E Bedford referred Mrs H to an accident management company (AMC) to arrange for her vehicle to be repaired, provide hire while it was repaired, and claim this back from the insurer of the vehicle which hit hers (the TPI).

While the AMC was dealing with her claim, Mrs H said she faced delays in getting paid the settlement – getting it split across a number of different payments. Most these payments were made in reasonably quick succession, with the penultimate one being made in January 2020. But the final payment of £3,785 wasn't paid until September 2022. Mrs H also said she was told she might have to pay up to £20,000 for the hire car if she didn't cooperate with the AMC.

Mrs H said the whole experience left her without money for longer than needed and caused distress and inconvenience in having to chase for updates and being told she might be liable for a large bill.

Our investigator recommended Mrs H's complaint be upheld. She didn't think W E Bedford had shown it had done what it needed to when referring her to the AMC. She acknowledged the AMC were acting separately from W E Bedford, and that W E Bedford weren't responsible for everything the AMC did. But she thought some distress and inconvenience could have been avoided had it done a better referral.

Our investigator recommended W E Bedford pay Mrs H £500 compensation. And she recommended it pay 8% simple interest on the final £3,785 payment Mrs H received to settle her claim.

Mrs H agreed with our investigator's assessment. W E Bedford didn't accept it and asked for an ombudsman's decision. So, the case has come to me.

## **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 done so, I'm upholding it. I'll explain why.

When her car was hit, Mrs H called W E Bedford to report the incident and make a claim. W E Bedford - because of the circumstances of the incident indicating Mrs H wasn't at fault – referred her to an AMC. This meant she wasn't claiming on her insurance policy anymore, but instead, was, with the help of the AMC, claiming directly from the TPI.

This is something W E Bedford is entitled to do, and there can often be benefits to consumers by taking this route. But crucially, when carrying out any referral, W E Bedford needs to give Mrs H information that's clear fair and not misleading. It needs to give her enough information about the benefits and drawbacks of any option it presents Mrs H with to allow her to make an informed choice.

And in this case, I'm not satisfied it did that. The first notification of loss call isn't available, so I can't say for certain what she was told by W E Bedford. But when Mrs H first speaks with the AMC it's clear she's not sure who they are or who they are acting for. In the call she asks if the AMC are her insurer or whether they are a separate business, to which the AMC says they are a separate business. But in the same call the AMC also says they're acting on behalf of her insurer. Mrs H says she wants to speak with her insurer first before proceeding.

In the other call I've listened to, Mrs H says she's spoken to the insurer and she's happy to proceed, but it's still not clear what was discussed in that call either. And regardless, whatever was discussed in that call doesn't take away from W E Bedfords own responsibilities.

Ultimately, it's not my role to make a finding on what the AMC, or Mrs H's insurer said to her. But I think understanding those calls helps understand some context. And it points to Mrs H not really understanding exactly how the AMC were operating, who they were ultimately acting for and what the implications of this were.

And knowing this, coupled with the lack of evidence surrounding what W E Bedford discussed with Mrs H means I can't possibly be satisfied W E Bedford did all it was required to do.

Therefore, on the weight of evidence, it didn't do what it needed and consider what would have happened had it done so. I can't say for certain, but reasonably I'm satisfied from listening to the available calls that if given information that was clear fair and not misleading, Mrs H would likely have not chosen to use the AMC and used her own insurer instead. Because from the calls I have listened to, it's clear Mrs H wants her insurer involved. And much of the worry and anxiety has been caused by foreseeable consequences of using the AMC in place of her insurer. So, I think if Mrs H was aware of these potential consequences, she'd not have chosen to use an AMC.

So, I've gone on to consider what would, or wouldn't have happened had Mrs H used her own insurer instead of the AMC. In other words, I've considered the impact of the referral.

Not everything that went wrong with the AMC is down to W E Bedford's referral to it. The AMC was acting in its own right and is responsible for its own actions. But I find it reasonable to say that had she gone through her own insurer, she wouldn't have had the settlement paid in multiple instalments, one with a significant delay. This is because her insurer would have paid her itself, then claimed the money back from the TPI. Any delay in the TPI paying Mrs H's insurer would have unlikely impacted Mrs H. And I find it unlikely she'd have been told she might be liable for a significant hire charge bill either.

To put things right then, W E Bedford should pay 8% simple interest on the final payment of £3,785. Interest should be calculated from the date of the penultimate payment in January 2020, to the point it was paid to Mrs H in September 2022. This is because she's been without the use of that money for that time and awarding 8% simple interest follows our standard approach in similar circumstances.

W E Bedford should also compensate Mrs H £500 for the unnecessary distress and inconvenience caused by the chasing and being told she might be liable for a large hire bill.

This would be distressing to anyone, especially when considering this all arose from Mrs H's car being hit while stationary. Mrs H has said this caused her significant distress, sleepless nights and worry. And I think it's unlikely this would have occurred had the referral been carried out better and Mrs H used her motor insurance policy instead.

### **My final decision**

For the reasons set out above, I uphold this complaint and require W E Bedford Insurance Services (Wimbledon) Ltd to:

- pay Mrs H 8% simple interest on the final payment of £3,785. Interest should be calculated from the date of the penultimate payment in January 2020, to the point it was paid to Mrs H in September 2022.
- Pay Mrs H £500 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 18 May 2023.

Joe Thornley  
**Ombudsman**