

## The complaint

Mr and Mrs P complain about the standard of service and communication received from Premier Underwriting Limited (Premier) following an accident when Mrs P was a named driver, under Mr P's motor insurance policy.

I will refer to Mr P as the lead complainant in my decision.

## What happened

Mrs P was driving when a third-party driver collided with her and her husband's car. She contacted their insurance broker and was told as she wasn't at fault a claim wouldn't be made against Mr P's policy. Mrs P was told that another company would handle the claim. She says it wasn't explained that the broker took no responsibility for the actions of this company. And that this company wasn't acting as part of the insurance policy.

Mrs P says she didn't understand the process but assumed what she had been told was correct. The following month the company dealing with the claim called to say it had been unable to contact the third-party insurer. Mr P says he was told the claim was being passed onto his underwriter (Premier). He says the company dealing with the claim only made three attempts to contact the third-party's insurer.

Mr P says when he spoke to Premier it directed him to the third-party's insurer to pursue his claim. Alternatively, he would have to make a claim on his policy. He says he expects Premier to support him in a claim against the third-party insurer, without having to claim against his own insurance. He says in this case the increase in his premium would mean it's not worthwhile claiming as the repairs were estimated to cost £700.

Mr P says that due to poor communication from his broker and Premier he has been unable to have his car repaired.

In its complaint response Premier says Mr P's broker told it the claim would be going through the third-party's insurer. It's for this reason that it says it didn't progress the claim. Mr P didn't think this was fair and asked our service to consider the matter.

Our investigator upheld his complaint. He says Premier didn't clearly explain the options to Mr P when he called, which caused confusion. He says it should've explained that he could make a claim under his policy and Premier would follow its process to establish liability for the accident with the third-party insurer.

Our investigator thought Premier should pay Mr P £150 compensation for the stress and inconvenience it caused him. Mr P didn't agree with this outcome. He says our services approach to dealing with his concerns about his broker and Premier separately is flawed. He says the companies are linked and the matter can only be dealt with fairly as a whole. He asked for an ombudsman to consider his complaint.

It has been passed to me to decide.

## **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 Mr P's complaint. However, I've not seen reason to add to the remedy our investigator set out. I understand this will be a disappointment to Mr P. But I will explain why I think my decision is fair.

I've read the correspondence exchanged between Mr P, his broker and Premier. When the claim was reported by Mrs P to the broker, my understanding is that it offered the services of an accident management company (AMC). If this approach is agreed the AMC will handle the claim and arrange for any repairs. AMC's services are generally offered when a third-party is thought to be at fault for the accident. The benefit is that the customer doesn't have to claim using their own policy, they don't have to pay the policy excess fee, and are usually provided with a like-for-like hire car.

From the information provided the AMC couldn't contact the third-party's insurer. So, it referred the claim back to Mr P's insurer. The AMC had no further part in the claim from this point.

I note Mr P's comments about the minimal effort the AMC made to contact the third-party insurer. I don't disagree with what he says. But my remit is to consider Premier's actions. I won't be considering issues relating to the AMC or Mr P's broker in my decision. This is because the AMC wasn't acting on behalf of Premier and the broker is a regulated service provider in itself. I understand our service is dealing with a separate complaint about the broker's involvement.

I've listened to a call recording from when Mr P first spoke to Premier about his claim. He explains to its agent that the matter has been passed on to it from his broker, and queries why it's taken a month and a half to get to this point. Premier's agent explains there are no claims recorded against Mr P's policy, so it hasn't yet been made aware of this matter. During the call Mr P says he doesn't want to claim on his policy and describes how confusing the involvement of multiple companies has been.

Mr P provides Premier's agent with the name of the third-party insurer. The agent says this is the broker for the third-party and says Premier is the underwriter for both, which may explain some of the confusion.

During the call Premier's agent speaks to his manager, placing the call on hold on two occasions. Having obtained advice he confirms to Mr P that if he doesn't want to claim under his own policy, he will have to contact the third-party insurer directly. Mr P asks why he has to do that himself. The agent says that Premier can deal with the claim but that if Mr P doesn't want to claim under his policy, he has to contact the third-party directly. The call then ends.

Having listened to the call Mr P was clearly confused about the involvement of the AMC and didn't understand the distinction between the role of his insurance broker and Premier as the underwriter of his policy. I don't think Premier's agent did a good job of explaining the situation or options available. It can be confusing when multiple companies are involved in an insurance claim. Especially for someone without industry knowledge.

Premier wasn't involved initially when the AMC was appointed to act for Mr P. But it did have the opportunity to explain the process clearly when Mr P spoke to its agent. More specifically, it should've explained that it could handle the claim on Mr P's behalf and pursue

the third-party as the at-fault driver via their insurer. Premier's agent didn't explain this point clearly. Had he done so I think Mr P will have understood the options available to pursue a non-fault claim and he would've been in an informed position to decide how to proceed.

I've thought about the impact this had on Mr P. I understand his car was driveable after the collision. However, it has remained in a damaged state and Mr P was left confused and frustrated as he wasn't given a clear explanation of how his claim could be progressed. In these circumstances I think Premier should pay Mr P £150 compensation for the lack of clear information.

Premier told our investigator it would speak to Mr P about his claim. I'm not aware if this happened or if Mr P has been able to progress the matter further. I note his comments that he has suffered a financial loss, and this should be paid for by Premier or his broker.

Mr P can make a claim under his policy by contacting Premier if he hasn't already done so. As discussed, it can then dispute liability with the third-party insurer. From the call recording I've listened to Mr P didn't want Premier to pursue a claim under his policy. Albeit this was likely influenced by the lack of clear information from its agent.

In summary I don't think Premier treated Mr P fairly, which likely delayed the repairs to his car, due to a lack of clear information from its agent. It should pay £150 compensation to acknowledge this point. However, Mr P can choose to make a claim under his policy with Premier should he wish and hasn't already done so.

### **My final decision**

My final decision is that I uphold this complaint. Premier Underwriting Limited should:

- pay Mr and Mrs P £150 for the frustration and inconvenience it caused them.

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

Mike Waldron  
**Ombudsman**