

The complaint

Miss P has complained about the service she has received after contacting BISL Limited to make a claim on her Motor insurance policy.

BISL is the insurance broker who arranged Miss P's policy, although it did it under a different name, which it has permission to use as a trading style. For the sake of ease, I have referred to BISL in this decision rather than the trading style.

What happened

Miss P was involved in an accident on a motorway when a vehicle hit her car from behind. First she arranged recovery of her vehicle, which I think was through her roadside assistance provider. She then called BISL about making a claim while she was still at the roadside. She spoke to an agent appointed by BISL, who'll I'll refer to as C, to handle the first notification of any incidents. BISL accepts it is responsible for the actions of this agent.

C told Miss P that because the accident wasn't her fault she could have a hire car from a company I'll refer to as E. She was told she could claim the cost of this and the cost of the repairs to her car back from the insurer of the other vehicle (the third party insurer) and that this meant she wouldn't have to pay her policy excess. C told Miss P that E would contact her about a hire car later the same day and a repairer would contact her about her car later that day as well.

Miss P didn't hear from anyone later that day and chased C on several occasions without success. She complained to BISL and was eventually provided with a hire car around a week after the accident. Her car was assessed by another company (who I'll refer to as I) who handled her claim for the damage to it against the third party insurer. The car was declared a total loss and Miss P was given a value for it by I. However, the third party insurer wouldn't admit liability for the accident and the claim for her vehicle was eventually passed to Miss P's own insurer.

BISL issued a final response on Miss P's complaint on 4 May 2023. In this it explained that C's notification to E hadn't worked and her details hadn't gone to it. This meant E wasn't aware it needed to contact Miss P. It acknowledged this had caused a delay of around a week and it offered Miss P £150 in compensation for the distress and inconvenience she had experienced because of this.

Miss P rejected BISL's offer and asked us to consider her complaint on 22 May 2023. When she did this she still hadn't received anything for her car and she said she wanted to recover some uninsured losses and receive compensation of £1,500 for the huge emotional impact the poor handling by BISL and the other companies involved had had on her.

One of our investigators considered Miss P's complaint. He said C hadn't explained Miss P's options clearly enough to her when she first spoke with them. However, he felt if it had, Miss P would still have opted to have the hire car from E and claim for this and the damage to her car through the third party insurer. In view of this, he felt the £150 compensation which BISL had offered for the poor service provided by C initially was sufficient. He explained that

BISL wasn't responsible for the problems Miss P had experienced beyond this point, so he could not ask BISL to pay compensation for any distress and inconvenience these caused to Miss P.

Miss P doesn't agree with the investigator's view. She's said that if she had fully understood the implications of claiming via E and the other company handling the claim for her car with the third party insurer, she would not have agreed to this and would instead have claimed against her own insurer.

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.

I can only consider events up to when BISL issued its final response letter to Miss P as part of this complaint, i.e. 4 May 2023. This is because Miss P asked us to consider her complaint soon after this and hasn't complained about any further issues she had with BISL after this.

I should also explain that BISL is only responsible for the first part of Miss P's experience when she spoke with C and its failure to pass on details to E and I. It's not responsible for the poor service she had after this and the delay in her claim being settled. E and I are independent businesses and responsible for these issues.

When Miss P spoke with C initially it (on behalf of BISL) needed to provide her with clear, fair and not misleading information, so she could make an informed decision on whether to claim on her policy or via E and I against the third party insurer. This meant it needed to do the following:

- Explain that by not claiming on her insurance policy, and dealing with the E and I as separate businesses Miss P was stepping outside of her regulated insurance contract so it was unlikely she'd have the option of alternative dispute resolution if things went wrong – i.e. she would lose her right to complain to us.
- Highlight that if Miss P was later deemed to be at fault or the third party insurer refused to accept liability, she may then be liable for the credit hire repair or total loss settlement costs under the agreements she set up with the E and I. Or she may have to attend court to support a claim against the third party insurer.

C didn't do this and instead – in my opinion - made it sound like it was best for Miss P to go through E and I on the basis she wasn't at fault for the accident and wouldn't have to pay her policy excess.

However, I agree with our investigator that if C had explained things clearly to her Miss P would still have opted to go through E and I. This is because she was not guaranteed a courtesy car under own policy and she made it very clear in the call that she didn't really want to be going through her own insurance at all. I appreciate with the benefit of hindsight Miss P has said she wouldn't have agreed to this option. But I have to consider what is most likely to have happened. And, bearing in mind Miss P wouldn't have known she was going to have problems going down this route, I think she would have thought it the best option in the circumstances.

This means Miss P would have experienced the problems she had with E and I even if C had explained her options clearly to her. So it's not appropriate for me to make BISL compensate her for the distress and inconvenience she experienced due to these.

It is however appropriate for Miss E to be compensated for the distress and inconvenience she experienced because of C's failure to pass on details to E and for the fact she ended up in an arrangement she did not fully understand or appreciate. But, like our investigator, I consider the £150 BSL has already offered is appropriate compensation for this.

I've not seen any evidence to suggest that the recovery cost Miss P incurred and the fact she missed an appointment was due to anything BSL did wrong, so it's not appropriate for me to make BSL cover these costs.

I realise that when Miss P's claim was passed to her insurer she had a problem because BSL provided it with the wrong email address. But this happened some time after BSL issued its final response to Miss P. So, I can't consider the impact of this on her as part of this complaint.

Putting things right

For the reasons set out above, I consider the fair and reasonable outcome to Miss P's complaint is for BSL to pay her the £150 in compensation it offered her for distress and inconvenience.

My final decision

I uphold Miss C's complaint and order BSL Limited to pay her £150 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 14 February 2024.

Robert Short
Ombudsman