

The complaint

Mr S complains that First Central Insurance Management Limited (1st Central) didn't offer him a motor insurance policy after he obtained several quotes from comparison websites.

What happened

Mr S originally had a motor insurance policy through another insurer. When he changed his car the insurer said that it would charge him to change the policy, so he searched online to see if he could find a cheaper quote. Mr S says quotes from 1st Central took up the first page of four comparison websites and he applied to them for insurance. The comparison website didn't let him take out the policy, so he called 1st Central directly. 1st Central then said it couldn't offer Mr S an insurance policy, but didn't say why. Mr S says that he feels 1st Central pushed out every competitor by taking up the first page on the comparison websites and he thinks this is wrong.

Mr S wasn't happy about what happened and complained to 1st Central. 1st Central said its system automatically uses underwriting criteria to determine who it is able to offer policies to. It conducts a number of underwriting and affordability checks throughout the quoting and purchase process, some of which are only completed when the purchase itself is attempted. 1st Central said this is why quotes can be displayed on the comparison websites despite it not being able to process the policy itself.

1st Central said it was unable to disclose any details of the reason for the decline as this is privileged information to its underwriters, who reserve the right to decline cover if there are any aspects of the potential policyholder's details which clash with its required criteria to purchase the policy.

1st Central accepted that when Mr S initially called to discuss the policy the call handler was unable to locate the quote and awarded Mr S £30 compensation in respect of this, but didn't uphold the rest of his complaint.

Mr S wasn't happy with 1st Central's response so he complained to this service. Our investigator didn't uphold his complaint. She said 1st Central is a broker, not an insurance provider. The decision not to offer Mr S an insurance policy was made by the underwriters, not 1st Central. The investigator said she was satisfied that 1st Central acted correctly on the information they were given by the underwriters.

Mr S wasn't happy with what the investigator said so his complaint has been passed to me. Mr S wants an apology from 1st Central, a full explanation for why he was declined cover, and compensation to cover the difference between what he was originally quoted and what he's paying now.

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 don't uphold Mr S's complaint. I'll explain why.

1st Central told this service Mr S was unable to proceed with his policy due to not meeting the underwriting criteria. 1st Central said in some circumstances it might be able to offer a quote via a comparison site but once the quote proceeds there are more checks which can highlight circumstances it may not be able to insure. These are decisions which will be made by the underwriters, not 1st Central as the broker. The reasons for this are commercially sensitive and 1st Central doesn't have to share them with Mr S. This is standard industry practice.

I think 1st Central acted fairly and reasonably in following its underwriters' processes so I'm not going to ask it to explain to Mr S why the policy was declined or pay him any compensation.

My final decision

For the reasons given above I don't uphold Mr S's complaint. So I won't be asking First Central Insurance Management Limited to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 March 2024.

Sarah Baalham
Ombudsman