

The complaint

Mr B complains about how BISL Limited dealt with a claim he made following a road traffic accident.

What happened

Mr B held a motor insurance policy administered by BISL. The policy was underwritten by an insurer I'll call X.

When Mr B was involved in a road traffic accident he didn't think he was at fault for, he called BISL to make a claim on his policy.

But rather than claim on his policy with X, BISL referred Mr B to another company, an accident management company I'll call AMC. AMC dealt with Mr B's claim on a credit hire and repair basis – meaning they'd repair his car, provide him with a hire vehicle under a separate credit agreement and look to claim this back directly from the other driver's insurer (TPI).

Mr B isn't happy with the repairs carried out by AMC, he's said they're not up to the standard he expects, and what's more he's said further damage was caused to his car while in AMC's possession. He's not happy his claim wasn't made on his own policy with X and thinks BISL should be responsible for the outstanding repairs to his car. He also wants compensation for the trouble and upset caused by the whole experience.

Our Investigator looked into Mr B's complaint. He said he couldn't look into AMC's actions because it wasn't carrying out a regulated activity when it was dealing with Mr B's claim. He said he didn't think BISL had given Mr B enough information in a clear and balanced way when it referred him to AMC. He thought that would have caused distress and inconvenience and recommended BISL pay Mr B £200 compensation.

BISL agreed, but Mr B didn't and asked for an Ombudsman's decision. He thinks BISL should be responsible for the repairs carried out by the AMC.

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 this claim in part. I'll explain more below. But in summary, I don't think BISL needs to put right any issue with Mr B's car relating to the repairs or alleged damage caused by AMC. But it should pay him compensation for the distress and inconvenience caused by the poor referral.

- Like our Investigator pointed out, we can't look into the actions of AMC. In dealing with Mr B's claim on a credit hire and repair basis, it's not carrying out a regulated activity.

- We can look into BISL's referral to AMC. And it's not really in dispute here that it needed to do more. It does give Mr B the option of claiming through his policy with X, but it's not done in a balanced way. And he's not given all the information he needs to make that decision. As an example, he's told that by using AMC he'll not be claiming through his own insurance, but he's not told that will mean if he's not happy with the repairs, he'll not be able to bring a complaint about that to us. Nor was he told about the potential of him being liable for any charges if AMC can't recover them from TPI.
- Because the referral wasn't to the level it needed to be, I've considered what Mr B would have done differently had the referral been as detailed and balanced as it should have been. He's told us he wouldn't have used AMC and would have paid his excess and claimed on his policy with X. And I find that persuasive because he wanted the protection offered in terms of being able to raise any dispute with our service.
- So, I'm satisfied that the referral to AMC was poor, and I'm satisfied Mr B wouldn't have used AMC had it been to the level it needed to be. But this doesn't mean BISL is responsible for the repairs or the alleged damage caused by AMC. This is because AMC is acting in its own capacity when dealing with Mr B's claim.
- But, if Mr B were to have claimed through his own insurer X, he'd have been able to bring a dispute about any repairs to our service. So, I've carefully considered whether him not being able to do that has put him in a worse position than he's in now.
- And I'm not satisfied it has. That's because I've not seen anything to persuade me that the issues Mr B has reported were caused by AMC. I've seen reports which allege the damage and further repairs are AMC's responsibility, but nothing to show that this is the case. Therefore, I don't hold BISL responsible for the alleged damage and further repairs.
- That said, finding out you're not claiming through your insurance policy and what the consequences of that are, in the midst of a dispute about the repairs to your vehicle will have undoubtedly caused Mr B distress and inconvenience. So, for that, BISL should compensate him £200

My final decision

For the reasons set out above, I uphold this complaint and require BISL Limited to:

- Pay Mr B £200 compensation for the distress and inconvenience caused by the poor referral to AMC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 April 2024.

Joe Thornley
Ombudsman