

The complaint

Mr and Mrs W complain about First Central Underwriting Limited's (First Central) poor handling of their claim following an accident, under Mrs W's motor insurance policy.

I'll refer to Mrs W in my decision for ease.

What happened

Mrs W's car was damaged in an accident. She contacted First Central to make a claim, which it accepted. Mrs W says she's not happy with the way it progressed her claim, and the length of time this took. She says that despite her husband and child being in the car First Central didn't mention any compensation for injury or loss of earnings. Mrs W says a higher offer should've been made by the business. Because she wasn't satisfied she made a complaint.

In its final complaint response First Central says its repairer prepared an estimate for the work required on Mrs W's car. It says its repairer then informed her of the available dates for the work to be done. The earliest available date involved a two month wait. First Central says Mrs W told its repairer she would need to think about it and contact it back. No contact was made, so the car wasn't booked in for an estimate or repairs.

When Mrs W chased First Central another repairer was appointed. It was determined that the car was uneconomical to repair, and it was classed as a total loss. A settlement payment was then provided.

Mrs W didn't think she'd been treated fairly and referred the matter to our service. Our investigator didn't uphold her complaint. He says Mrs W didn't make contact to agree an appointment with the first repairer. This was the initial reason for the delay in progressing her claim. He says there is no record of Mrs W making a claim for injury or loss of earnings for Mr W.

Our investigator confirms that First Central had since made an offer to pay Mrs W £150 compensation for its poor communication during her claim. He thought this was fair.

Mrs W disagreed and asked for her complaint to be considered by an ombudsman.

It has been passed to me to decide.

I issued a provisional decision in May 2024 explaining that I was intending to uphold Mrs W's complaint. Here's what I said:

provisional findings

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 Mrs W's complaint in part. Let me explain.

The claim records show that Mrs W reported the accident to First Central early in September 2022. The notes show three calls were made to Mrs W around this time. Two voicemails were left, and one call was noted as receiving no answer. In its submissions to our service First Central says Mrs W was made aware of the available appointments to book her car in for an estimate. The earliest date was in December. First Central says Mrs W told the repairer she would need to speak to her husband before agreeing – but she didn't call back.

I asked First Central to comment on why its first garage deemed the car to be repairable, when later in 2023 it was deemed a total loss.

First Central responded to say Mrs W's car was taken to its repairer in September 2022. At this time only photos were taken, and it advised the earliest appointment for a full estimate for the repairs would be in December. First Central provided a copy of the report produced in September showing the photos that were taken. There's no detailed breakdown of the repairs or costing included in this report. This ties in with what the business says about a further appointment being needed to produce an estimate for the repairs.

I've seen a copy of the estimate that was produced for the repairs in March 2023. This provides a detailed breakdown and shows the repair cost as £2,722.60. Mrs W's car was valued at £3,500. So, the repair cost was approaching 80% of the car's value. It's not unusual for an insurer to consider a car to be a total loss when the cost to repair it approaches 60% to 70% of its pre-accident value. First Central's offer of a settlement payment seems reasonable in these circumstances, which I can see Mrs W accepted.

That said it took around six months to get to the point of a settlement payment from the time Mrs W first made her claim. From the records provided the first part of the assessment was completed in a timely manner. It appears the initial delay was a result of Mrs W not contacting the repairer back to confirm an appointment for the estimate. However, First Central could and should've contacted Mrs W much earlier when the claim failed to progress. From the timeline it was aware of this situation at the latest by the end of October 2022. Mrs W then called on at least five occasions from early November chasing progress, until a repairer was allocated on 20 February 2023.

I've thought about the impact all of this had on Mrs W. I'm pleased to see that her car was still driveable after the accident, so she wasn't inconvenienced in this respect. However, she did have to contact First Central multiple times over five months before her claim was dealt with. This caused her frustration and inconvenience. Dealing with the aftermath of a car accident can be distressing. We expect First Central to handle claims effectively and communicate appropriately. It didn't do that here. To acknowledge the impact this had I think an increased compensation payment is appropriate. A total payment of £300 is fair given the delays and poor communication described here.

With regards to personal injury claims, First Central says it appointed a solicitor to deal with Mrs W's daughter's claim. It says she was informed towards the end of September 2022 that there were no signs of physical injury, so this claim wasn't pursued. The business says no claim for personal injury was made for Mr W.

In her request for an ombudsman to consider her complaint Mrs W advised she'd provide supporting information concerning this point. But she hasn't provided further information for me to consider. Based on the information I've seen First Central acted correctly regarding the personal injury claim for Mrs W's daughter. This didn't result in any action being taken. But as there is no evidence a claim was raised for Mr W, I can't say that First Central behaved unfairly for not acting on this.

I said I was intending to uphold this complaint and First Central should pay Mrs W £300 compensation.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Mrs W didn't respond with any further comments or information for me to consider.

First Central accepted my provisional decision.

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.

As neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

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

- pay Mrs W £300 compensation in total for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 8 July 2024.

Mike Waldron
Ombudsman