

The complaint

Mrs M has complained that she was referred to an Accident Management Company (ACM) when she called Atlanta Insurance Intermediaries Limited to make a claim under her motor insurance policy without it being made clear to her that this was happening. And that this has led to her having significant problems with her claim.

Mrs M took out her policy through a trading style of Atlanta, but I have only referred to Atlanta in this decision for the sake of ease.

What happened

Mrs M called Atlanta to make a claim for damage to her car. It's not clear exactly who she spoke to in the first instance, but she ended up making a claim against the insurer of the other driver in the accident she was involved in via an ACM, who I'll refer to as K. Mrs M has had problems with the claim and has not been able to repair or replace her car. She has found the whole matter very distressing, especially as she thought she was going to be claiming through her own insurer.

Mrs M complained to Atlanta about this. But it rejected her complaint and referred her to K. So Mrs M asked us to consider her complaint.

Atlanta has been unable to provide a recording of the call Mrs M made to report the accident and submit her claim. And it hasn't provided any details of the referral process. In view of this our investigator upheld the complaint and said Atlanta should pay Mrs M £100 in compensation for the distress and inconvenience she'd experienced; on the basis it is most likely it was not made clear to her in the referral process she was being referred to an ACM.

Atlanta agreed to the investigator's recommendation. Mrs M did not. She said she had experienced a great deal of distress and inconvenience as a result of the poor referral by Atlanta and should receive more in compensation.

I issued a provisional decision on 7 August 2024 in which I set out what I'd provisionally decided and why as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I think it's poor that Atlanta hasn't been able to provide any details of the referral to K. I say this because it should have a proper record of it and be able to provide a recording of the call. In view of this and what Mrs M has said, I agree with our investigator that it is fair to conclude that it wasn't made clear to Mrs M when she called about her claim that she was being referred to K to pursue a claim for her against the third party's insurer, as opposed to claiming under her own policy. And I don't think the implications of doing this were made clear to her either. This is unacceptable and – in my opinion – very poor practice by Atlanta. I can see from what Mrs L has said this has led to a great deal of distress and inconvenience, which I think would have been largely avoided if it was made clear to her what her options were and she'd claimed under her own policy. I think she would have done

this if it had been clear to her what would happen if she claimed through K.

Also, I don't think Atlanta were very helpful when Mrs M contacted it about the problems she was having with K. I can't see it really explained to her what had happened with regards to the referral process or made any real effort to assist her. This clearly caused her further distress and inconvenience.

In view of the level of distress and inconvenience Mrs M has suffered, which directly relates to the poor referral by Atlanta, I consider she should receive a significant compensation payment of £500, as opposed to the £100 suggested by our investigator.

I gave both parties until 21 August 2024 to provide further comments and evidence in response to my provisional decision. Atlanta has responded to say it will make the payment I suggested once Mrs M has confirmed acceptance. Mrs M has now said she is happy to accept what I provisionally decided.

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 provided any further comments or evidence to challenge my provisional decision and both have accepted it, I see no reason to reach a different decision on the fair and reasonable outcome to Mrs M's complaint.

Putting things right

For the reasons set out in my provisional decision dated 7 August 2024, I've decided to uphold Mrs M's complaint and make Atlanta pay her £500 in compensation for distress and inconvenience.

My final decision

I uphold Mrs M's complaint about Atlanta Insurance Intermediaries Limited and order it to pay her £500 in compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 16 September 2024.

Robert Short
Ombudsman