

## **The complaint**

Miss P complains that First Central Underwriting Limited (“First Central”) mishandled her claim on a motor insurance policy.

## **What happened**

The subject matter of the claim and the complaint is a sports utility vehicle, made by a premium-brand vehicle manufacturer and first registered in 2013.

According to its MOT history, the vehicle passed a test in early November 2022 with a recorded mileage of about 69,000. Miss P acquired the vehicle at around that time. For the year from early November 2022, Miss P had the car insured on a comprehensive policy with First Central.

Unfortunately, Miss P reported that on about 23 September 2023, a third party had hit and damaged the rear of the vehicle.

First Central arranged repair of the vehicle. By about 27 October 2023, the vehicle was with First Central’s repairer. Much of the complaint is about acts or omissions of the repairer on behalf of First Central. Insofar as I hold First Central responsible for them, I may refer to them as acts or omissions of First Central.

In late October 2023, the vehicle’s MOT certificate expired.

For the year from early November 2023, Miss P renewed the policy at a cost of about £580.00. The policy schedule recorded the accident as not Miss P’s fault.

By about 30 November 2023, First Central said the repair was complete. But on 1 December 2023, it said that the vehicle battery had no power to allow access or to start the vehicle.

By 11 January 2024, First Central had made an outlay but recovered it from the third party. On that date, First Central told Miss P that the power issue wasn’t related to the accident.

Miss P complained to First Central that it was responsible for delay in repairing the car and returning it to her.

By 6 February 2024, the repairer had accessed the vehicle and identified a fault with a battery monitoring module. First Central declined to repair that module.

By a final response dated 4 March 2024, First Central said it was sending Miss P a cheque for £100.00 as compensation for her claims journey.

By a final response dated 7 March 2024, First Central said it would send Miss P £50.00 as compensation for poor communication and it would pay up to £50.00 in refund for a battery load test if Miss P sent it the invoice.

On 15 March 2024, First Central returned the vehicle to Miss P. According to its MOT history, the vehicle passed a test on that date with a recorded mileage of about 86,000 and advisories including one that said “*battery light on*”. Miss P brought her complaint to us later in March 2024. She asked us to direct First Central to:

- compensate her for the effect on her mental health;
- compensate her for her time chasing them;
- repair her vehicle; and
- recompense her insurance costs for the extra time it had taken while she was without a vehicle.

*our investigator’s opinion*

Our investigator recommended that the complaint should be upheld in part. He wasn’t persuaded that the battery issue was caused by any wrongdoing by First Central. He said that First Central had got Miss P’s car back up and running. He thought that First Central’s offer of a refund of up to £50.00 would be reasonable for Miss P to get her own diagnostic tests done on the vehicle, which would determine the cause of the warning light.

The investigator thought that the compensation of £150.00 was fair in relation to the poor communication received and the upset caused.

However, the investigator thought that Miss P hadn’t benefitted from use of her policy on the current renewal until her car was returned to her on 15 March 2024. He recommended that First Central should refund Miss P the premium from her most recent renewal date in 2023, until her car was returned to her on 15 March 2024.

First Central disagreed with the investigator’s opinion in part.

The investigator asked for an ombudsman to review the complaint.

*my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Miss P and to First Central on 27 August 2024. I summarise my findings:

The renewed policy gave Miss P the benefit of cover against, for example, fire and theft. So, unlike the investigator, I wasn’t minded to find it fair to direct First Central to make a refund of premium.

I was keeping in mind the shortcomings in First Central’s communication and their impact on Miss P. First Central’s payments totalling £150.00 went some way to put this right, but not far enough in my view.

I was minded to find it fair and reasonable to hold First Central to its offer, if Miss P sent it the invoice, to pay Miss P up to £50.00 for the battery test she had carried out.

Subject to any further information either from Miss P or from First Central, my provisional decision was that I upheld this complaint in part. I intended to direct First Central Underwriting Limited to pay Miss P:

1. in addition to its payments of £150.00, a further £200.00 for distress and inconvenience; and
2. if Miss P provides the invoice for the battery test, the amount of that invoice up to £50.00.

Neither Miss P nor First Central has responded to the provisional decision. I see no reason to change my view.

### **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 accept Miss P's statement that there was no dashboard warning light when she parted with the car on about 27 October 2023.

From what Miss P and First Central have each said, I find it likely that she had the use of a hire car from about 27 October 2023.

Her vehicle was at the repairer for some weeks. Miss P has suggested that the repairer must've done something wrong to cause the lack of battery power. However, the later evidence is that there was a fault with a battery monitoring module. So I find it more likely that the module failed, causing the battery to discharge completely.

The module failed while First Central had the vehicle. However, there's not enough evidence to show that First Central is responsible for an act or omission that caused the module to fail. For that reason, I don't find it fair and reasonable to direct First Central to repair or replace the module.

From what First Central said in its final responses, I infer that it had withdrawn the hire car on about 11 January 2024. It intended to provide another hire car while the insured vehicle went to the manufacturer's main dealer for diagnostic testing in February 2024. However, First Central didn't send the insured vehicle to the main dealer, and its hire car provider wouldn't provide another hire car to Miss P.

From what she has said, in about January or February 2024, Miss P bought another vehicle to use in her business. However, she hasn't asked us to direct First Central to compensate her for the cost of that. And I wouldn't find that fair, not least because First Central didn't cover the insured vehicle for business use.

I accept that Miss P didn't drive the insured vehicle after 27 October 2023 or after she renewed the policy in early November 2023 until after she got the vehicle back on 15 March 2024. So I can see why she (and the investigator) thought it would be fair for First Central to refund the proportion of the premium for the period from the renewal to 15 March 2024 (that would be about £190.00).

However, I consider that First Central is correct that the renewed policy gave Miss P the benefit of cover against, for example, fire and theft. So, unlike the investigator, I don't find it fair to direct First Central to make a refund of premium.

I've noted some poor communication from First Central to Miss P, in particular around its decision not to send the vehicle to the main dealer in mid-February 2023 for diagnostic testing.

That poor communication had an impact on Miss P. That included that she felt she had to contact not only First Central but also its repairer and the main dealer. That wasted some of her time.

Miss P has complained that First Central damaged her mental health and that this in turn led to relationship breakdown in her family. There's not enough medical evidence to show cause and effect relating to her mental health. Nevertheless, I've noted from some of the call recordings that Miss P was very upset on occasions about trying to find out what was happening to her vehicle.

### **Putting things right**

I'm keeping in mind the shortcomings in First Central's communication and their impact on Miss P. First Central's payments totalling £150.00 went some way to put this right, but not far enough in my view. I find it fair and reasonable to direct First Central to pay Miss P – in addition to its payments of £150.00 – a further £200.00 for distress and inconvenience.

In addition, I find it fair and reasonable to hold First Central to its offer to pay Miss P up to £50.00 for the battery test she had carried out, if Miss P sent it the invoice. Miss P has sent us the test results but I haven't yet seen an invoice. I've thought about directing First Central to add interest on that, but I've decided not to do so as First Central's offer has been open since early March 2024.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct First Central Underwriting Limited to pay Miss P:

1. in addition to its payments of £150.00, a further £200.00 for distress and inconvenience; and
2. if Miss P provides the invoice for the battery test, the amount of that invoice up to £50.00.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 15 October 2024.

Christopher Gilbert

**Ombudsman**