

The complaint

Mr A complains that First Central Underwriting Limited ("First Central") mishandled his claim on a motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a car, made by a premium-brand car maker and first registered in 2019.

Mr A acquired the car on a finance agreement.

For the year from late March 2023, Mr A had the car insured on a policy with First Central. The policy covered him and no other driver.

For the period from 11 to 31 May 2023, Mr A and First Central agreed to add a work colleague of Mr A's ("Mr T") as a temporary additional driver.

Around midnight on the night of Friday 2 June and Saturday 3 June 2023, Mr A reported to police that someone had taken the car without his consent.

At around 1 o'clock that morning Mr T was driving the car when it was very badly damaged in an accident. He and another person were injured.

The next morning police visited Mr A's family home.

Mr A made a claim on the theft section of the insurance policy. First Central appointed a firm of investigators, who contacted Mr A by telephone.

By late September 2023, Mr A had complained to First Central about delay in dealing with his claim.

By an email dated 13 October 2023, police said that prosecutors had authorised them to charge Mr T with the offences of aggravated vehicle taking, drink-driving, failing to stop for police, causing serious injury by careless driving and failure to stop after an accident.

By a letter dated about 24 October 2023, First Central declined Mr A's claim. Mr A or his mother complained to First Central about that decision.

By emails dated 8 January 2024, First Central turned down Mr A's complaint about delay.

By a final response dated mid-January 2024, First Central acknowledged there had been some delay and said it was sending Mr A £150.00 compensation.

By a final response dated 31 January 2024, First Central turned down Mr A's (or his mother's) complaint about the decision to decline the claim.

Mr A asked us to investigate.

On about 13 May 2024, Mr T pleaded guilty to the offences of aggravated vehicle taking, drink-driving, driving without insurance and failure to stop after an accident. A Crown Court sentenced him to imprisonment and disqualification from driving.

Our investigator didn't recommend that the complaint should be upheld. She thought that First Central's decision to decline the claim in October 2023 wasn't wrong. She thought that £150.00 compensation for the delays was fair and reasonable.

Mr A disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He and his mother say, in summary, that:

- He has mental health issues.
- He is left with a debt for something he didn't even do.

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've seen evidence that First Central added Mr T as a temporary additional driver for a few days in April 2023 as well as for the period 18 to 31 May 2023.

I've noted that Mr A has experienced mental health issues. I don't doubt that news of the accident and the injuries caused him great distress.

However, police told First Central's investigators that Mr A and Mr T had each told them that Mr T returned the car to Mr A on 2 June 2023. Mr A told First Central's investigators (and us) that Mr T had returned the car to him on 31 May 2023.

Also, First Central's investigators reported some changes in what Mr A had told them around how Mr T came to have a key for the vehicle at the time of the accident.

First Central and its investigators were responsible for some delay in communication. However, I keep in mind that they had to make enquires of police during a criminal investigation. After the email of 13 October 2023, First Central communicated its decision to decline Mr A's claim on about 24 October 2023.

Overall, I'm satisfied that First Central's decision came within a reasonable time. So I don't find it fair and reasonable to direct First Central to pay Mr A (apart from the £150.00 it has already paid) compensation for distress and inconvenience.

First Central's decision left Mr A with a debt to a finance company for a vehicle that was damaged beyond repair.

However, the policy terms said that if Mr A made a claim that was in any way false, or if he had failed to take reasonable care of the car, First Central could reject his claim.

Keeping in mind those policy terms and the inconsistencies that First Central's investigators found in Mr A's statements, I don't find that First Central treated Mr A unfairly by declining his claim. So I don't find it fair and reasonable to direct First Central to pay Mr A's claim or to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct First Central Underwriting Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 November 2024.

Christopher Gilbert

Ombudsman