

The complaint

Mr E complains about the service received from Saga Services Limited during a car insurance claim.

What happened

Mr E's car was hit by a third party whilst parked at the side of the road in late June 2022. Mr E reported the accident to Saga. Mr E believed Saga were his insurer, were arranging a hire car and would be assessing his claim. Mr E's car was deemed a total loss and he received payment via two cheques by early September 2022. Mr E wasn't happy with the service he received from Saga. In particular, he was unhappy with the following:

- There was a delay in providing a hire car.
- The hire car was taken back too soon.
- His settlement payment was too low.
- He wasn't given the opportunity to inspect or retain his car.
- There was a lack of updates provided to him during the claim.
- Saga didn't respond to emails and calls.
- He wanted a response to the satisfaction survey he completed but didn't.

Saga reviewed the complaint and agreed that there had been some service failings. They offered £25 compensation for the distress and inconvenience caused. However, they didn't agree they were responsible for any claim related issues. This was because the claim had been referred to an accident management company (AMC), and so any complaint should be raised with them. Mr E didn't accept the outcome and so brought the complaint to our service.

Our investigator upheld Mr E's complaint. He said that Saga hadn't provided any evidence that the referral to the AMC was sufficient. It was assumed that the referral wasn't good enough and had it been better, Mr E wouldn't have used the AMC and instead claimed through his insurer. Our investigator thought Saga should pay Mr E £150 compensation for the distress and inconvenience caused. Saga didn't agree. They didn't think the investigator had reviewed the file they'd provided. As no agreement could be reached, the complaint has been passed to me to make a final decision.

What I provisionally decided – and why

In my provisional decision, I said:

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

Based on what I've seen so far, I intend to uphold Mr E's complaint but for different reasons to our investigator.

Our investigator has reviewed the referral by Saga to an AMC. However, Mr E hasn't raised this as a complaint. At the time of bringing this complaint, Mr E believed that Saga were his

insurer and they'd handled his claim. This isn't the case. Saga are Mr E's broker and arranged his insurance policy with an insurer. When Mr E informed Saga about the accident, Saga chose to refer Mr E to an AMC instead of to his insurer. As Mr E hasn't raised a complaint about the referral, I'm not able to comment on it in this decision. If Mr E is unhappy with the referral to the AMC, he would need to raise this with Saga as a new complaint. I note that Mr E also raised a further complaint about the recording of the incident on the claims and underwriting exchange database. This also doesn't form part of this decision.

I can only hold Saga responsible for their actions during the claim. I can't hold them responsible for any of the actions of the AMC. This means I can't comment on the following complaint points:

- *The hire car was taken back too soon.*
- *His settlement payment was too low.*
- *He wasn't given the opportunity to inspect or retain his car.*
- *There was a lack of updates provided to him during the claim*

Whilst it wasn't Saga's responsibility to provide Mr E with a hire car, they were responsible for referring Mr E's claim to the AMC. It took Saga four days to make the referral to the AMC. Mr E lives in a rural location and relies on his car to be able to get about. It caused Mr E distress and inconvenience both as a result of the delay in getting the hire car but also having to chase it up.

Saga has agreed that their service could have been better in regard to communication with Mr E. Mr E has told us about delayed or no responses to emails and issues getting through on the phone. Mr E also didn't get a response to a query he raised on a feedback survey.

I appreciate that it must have been frustrating for Mr E to have to go through the above. I've considered everything in the round, and I think Mr E has been caused distress and inconvenience which has caused him reasonable effort to sort out. In line with our website guidelines, I don't think the £25 offered by Saga so far is enough. I think a further £125 compensation is fair and reasonable."

I set out what I intended to direct Saga to do to put things right. And gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses to my provisional decision

Saga accepted my provisional decision.

Mr E didn't respond to the provisional decision by the deadline.

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 thought carefully about the provisional decision I reached. Having done so, and as neither party has provided anything which could lead me to depart from my provisional decision, my final decision remains the same as my provisional decision, and for the same reasons.

My final decision

For the reasons I've explained, I uphold Mr E's complaint and direct Saga Services Limited to pay Mr E, an additional £125 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 28 November 2024.

Anthony Mullins
Ombudsman