

The complaint

Mr B says First Central Underwriting Limited provided very poor service, caused long delays and didn't repair his car properly after he made a claim on his motor insurance policy.

What happened

In June 2023, Mr B's car hit an animal when he was setting off from his home, causing damage to the front of his car. He paid a £600 policy excess, but he had no transport for two weeks. When the car was returned from the repairing garage after a month it had many faults and a warning light had appeared. Mr B said he had to wait a month for it to be checked by an independent firm of assessors ('firm H') on 24 July 2023. The car later went to a dealership garage 'garage L' for diagnostics and rectification, but he said the repairs weren't completed when he was asked to collect it in October 2023. Mr B's hire car was taken back, and he had to pay £120 to the hire firm. He also says he had to make numerous attempts to contact First Central for updates about his claim.

In November 2023, First Central upheld Mr B's complaint and apologised for its poor service and poor communication with him. It offered him £150 compensation for distress and inconvenience. It said it had asked firm H to look into the warning light issue and said it would ensure the claim was progressed and that Mr B's contacts with it weren't ignored.

Mr B complained to us in March 2024 and one of our Investigators later reviewed his concerns. Whilst she was doing so, in June 2024 First Central told us what it thought had occurred over the previous year. It said in July 2023 the initial repairer said the warning light was for a blocked diesel particulate filter ('DPF') - an issue that wasn't claim related. Firm H and firm L were instructed, as Mr B disagreed with that finding. First Central's engineers also concluded the DPF issue wasn't accident related. First Central authorised firm L to carry out rectification work and diagnostics on 3 October 2023 – excluding any work that wasn't claim related. Firm H reported on 27 October 2023 that the issue with the warning light wasn't claim related. Mr B complained in January 2024 that he still didn't have his car back, but firm L told First Central he'd refused to collect it from 26 October 2023.

First Central accepted that the repair process was badly handled, that there was poor contact on its part, that incorrect information was given to Mr B and that it had failed to apply the correct process (which delayed progress). It made a revised offer of £750 compensation and also offered to pay for the storage charges that had accrued at garage L to date (June 2024). It said Mr B should now collect the car from garage L. The Investigator thought the new offer was reasonable. She agreed that First Central's service hadn't been up to standard in many ways, but she didn't think it was fair for Mr B to refuse to collect the car from firm L. She thought that had caused further delay (as well as extra costs).

Mr B didn't accept First Central's new offer. He said firm L hadn't completed the repairs, and that he'd been told by it that a warning light was still on, so the car wasn't driveable. He also said he'd been promised half the £600 policy excess back but hadn't got it - and that he shouldn't have had to pay the hire firm £120. He said he'd paid out almost the full £750 offered by First Central on those items, and that he'd had to get a loan to buy a new car.

The Investigator said the policy excess was payable on all claims and she'd seen nothing to show he'd been told he'd get some of it back. She said there was no evidence that the car wasn't driveable. She said there was no previous reference to Mr B having had to buy another car, and that it seemed his car was ready for collection from garage L in October 2023. Mr B said firm L had told him the car was in 'limp' mode, so he couldn't collect it. Meanwhile he'd been caused financial difficulties and anxiety.

The Investigator contacted firm L and asked First Central for more information. After considering all the additional evidence from the parties, she issued a second view. She said she'd seen nothing to show that Mr B's car wasn't safe to drive. Although garage L said a warning light was on, First Central didn't agree the issue flagged up by it was claim related. And she said garage L had told her it wouldn't have asked Mr B to collect the car if it thought it was unsafe to drive.

The Investigator said if Mr B obtained evidence that the warning light issue was claim related, First Central would have to consider that evidence. But based on all the information she'd seen so far, she said she still thought First Central's offer was fair. Mr B asked for a review of his complaint by an Ombudsman.

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.

There are numerous documents and comments on the file from the parties to this complaint. I've read them all, as well as listening to the call recordings. I don't intend to comment on every point made by the parties. Instead, I'll concentrate on what I think are the major issues pertaining to this complaint.

I agree that much of First Central's service has been poor. It has accepted that it should have handled the claim and the repair process much better - and that in particular, it should have communicated properly with Mr B. Had it done so appropriately, I think much of the upset he faced during the claims process could have been avoided. But I think the central issue is that Mr B doesn't accept his car has been repaired properly, or that it's driveable, many months after he first made the claim.

From the start, First Central didn't accept that the DPF issue was claim related. The initial repairer didn't think it was, nor did First Central's engineers. Firm H, as independent assessors, could have disagreed with that, but didn't. Firm L carried out diagnostic work at the request of firm H, and from what I've seen, it didn't disagree either. In cases like this, I think the only way a consumer can move matters on is by taking the car to another garage / getting an independent opinion on the disputed issue. The insurer would then have to consider it, but as far as I can see, to date, Mr B hasn't done that.

Garage L has shown that it told Mr B the car was ready to collect on 26 October 2023, four months after the initial claim was made. In the intervening period, the car was repaired, reviewed by an independent assessor twice, and had further work authorised and completed by a dealership garage. I think the work could have been carried out more quickly had the communication between First Central and Mr B (as well as its contact with firm H and firm L) been better. But I don't think First Central is responsible for the period from October 2023 onwards during which Mr B has been without his car.

Firm L confirmed to us that a warning light is on the dashboard and that the car is in 'limp' mode (as it seems to have been since Mr B got the car back from the initial repairer). But it also told us it didn't tell Mr B the car wasn't safe to drive. It said it wouldn't have asked him to collect it if it thought that was the case. Based on that, the car could have been collected by Mr B in October 2023 and taken elsewhere for assessment. Alternatively, if he didn't want to drive it, he could have had it collected and taken elsewhere for review. We asked Mr B recently to confirm which repair issues he thought hadn't been done. He just said First Central told firm L not to carry out any further work on the car, which meant it wasn't fit for purpose. I assume he was referring to the issue causing the warning light to be on.

I don't think Mr B has been able to show that he couldn't collect the car (or have it collected) in October 2024. There's nothing to show that the warning light is claim related, and in October 2023, firm H accepted that it wasn't. In the absence of any evidence to the contrary, I can't say it was unreasonable for First Central not to agree to further repairs. And in the circumstances, I think First Central's offer to pay for the storage charges from then until June 2024 was reasonable.

I think £750 compensation is an appropriate sum to reflect the fact that First Central's acts and omissions caused Mr B considerable distress, upset, worry, and inconvenience that has taken a lot of effort on his part to try to sort out. The offer is in line with our guidance on compensation awards. I don't think it would be fair to require it to compensate Mr B for the entire period he's been without his car, as in my opinion, that's not First Central's fault. Mr B told the Investigator he didn't have anything to show the extra transport costs he'd incurred (pre-October 2023). She advised him that we'd need evidence of those costs (and of any other financial losses) in order to ask First Central to consider any reimbursements.

As Mr B paid a £600 policy excess, plus £120 to a car hire firm, he says that virtually wipes out the £750 compensation offer. Consumers have to pay their policy excess if they make a claim, but Mr B said he expected half of it back. There's no reference in the file to that, but the option of an 'Excess protection 300' policy was available for £27.99 when Mr B took out the main policy. First Central has confirmed that he bought it. So it looks as though Mr B may be due a refund of part of his policy excess. As the cover is with another insurer, Mr B would have to make a claim on that policy.

As for the car hire, Mr B wasn't entitled to a courtesy car or a hire car unless his car was with a garage that's part of First Central's network of approved repairers. First Central should have told him that was the case, and it accepts that he wasn't informed. But that error on its part is included in the compensation for poor service. And in a call with the Investigator, Mr B accepted that the £120 charge made by the hire firm was for the car's late return by him. If so, it isn't something for First Central to address.

I appreciate that Mr B has found dealing with his claim distressing and time-consuming. He believes First Central is entirely responsible for the very difficult situation he's had to face over a lengthy period, and in his view, it still hasn't put matters right. But I don't think First Central has acted unreasonably in not agreeing to deal with the repair issue it doesn't think is claim related, without evidence from him showing that it is. And in my opinion it has offered sufficient compensation for its service errors and delays.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 February 2025.

Susan Ewins
Ombudsman

