

The complaint

Miss O complains First Central Underwriting Limited hasn't handled a claim against her motor insurance policy fairly.

What happened

Miss O notified First Central of a motor incident in March 2023. First Central accepted the claim. Several complaints were made and ultimately this complaint was referred to our Service for an independent review. The focus was issues with repairs to Miss O's car.

The Investigator initially concluded First Central had let Miss O down, but that it had done enough to put things right. Following further submissions from Miss O and an expansion of the scope of the complaint (with First Central's consent) he investigated further.

Ultimately, in October 2024, he recommended the complaint should be upheld. Recognising Miss O's car still hadn't been repaired, he said First Central should deem it a total loss. He also said First Central should pay Miss O £1,750 compensation, in total.

Miss O broadly accepted the Investigator's recommendation but had a few queries. I understand First Central has started the total loss process and has only queried the compensation element. To finalise matters the complaint has been passed to decide.

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.

A great deal has happened with this claim/complaint. I have summarised it in much less detail than it has been presented by the parties. This isn't meant as a discourtesy and I can assure both parties I have read and considered everything. I have simply focussed on what I consider necessary to reach a fair and reasonable outcome, given the substantive part of the complaint – what to do about the car – has been agreed.

Miss O and First Central have agreed to the substantive part of the Investigator's recommendation; namely, that the car be deemed a total loss and the claim settled in line with the remaining terms. I understand this in the process of happening. I see no compelling reason to interfere with that, but for completeness I find it fairly and reasonably resolves the core complaint issue as it removes the need for further repairs and brings finality.

I'm not going to require First Central to pay Miss O any of the financial losses she has claimed. I wouldn't ordinarily expect an insurer to contribute towards car finance costs, insurance premiums, or tax, as these are ordinary motoring costs which Miss O would have incurred regardless of First Central's failings here. The same applies to wear and tear items, such as brake pads, tyres and wipers, as these form part of general maintenance.

Miss O has been caused unnecessary distress and inconvenience as this matter has been ongoing for about 19 months, she hasn't been able to use the car in all the ways she would

have liked (for example, she didn't think it was safe to use on the motorway, or to tow) and despite her best efforts, matters have not materially progressed in any meaningful way for a long time now. It follows compensation is appropriate.

The Investigator considered the total compensation offered related to this subject matter. This came to £1,350. First Central say it offered £1,150 in total. The difference comes from uncertainty on what original figure First Central offered to increase. I'm not persuaded it matters, however. I say this because the Investigator thought total compensation of £1,750 was fair, and I agree it fairly reflects the distress and inconvenience Miss O was caused.

Miss O is concerned with how First Central recorded the claim, and the impact it's had on her premiums/access to insurance products. As I understand it, First Central is aware of these concerns but hasn't investigated them and issued a final response to Miss O. As this is related, but distinctly separate, to the subject matter of this complaint I will not consider it as part of this decision. The Investigator will consider it as a separate complaint.

My final decision

I uphold this complaint and require First Central Underwriting Limited to:

- Deem the car a total loss and settle the claim in line with the remaining policy terms; and
- Pay Miss O £1,750 compensation in recognition of the distress and inconvenience she'd been caused. First Central Underwriting Limited can deduct from this sum any compensation it has already paid to Miss O.

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

James Langford
Ombudsman