

The complaint

Mr Z 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 with a large petrol engine and first registered in 2005.

Mr Z acquired the car.

For the year from late November 2022, Mr Z had the car insured on a comprehensive policy under which First Central was the insurance company that was responsible for dealing with any claim.

Unfortunately, Mr Z reported to First Central that on about 12 November 2023, an accident had damaged the car. Police had attended and the car was immobile in a car park.

Some of the complaint is about acts or omissions of salvage agents 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 December 2023, First Central said it would treat the car as a total loss and pay Mr Z its pre-accident value, less the excess.

Mr Z complained to First Central, including that it hadn’t paid the claim.

First Central wrote a letter dated 13 February 2024, addressed to Mr Z at a company and enclosing a cheque for £100.00 payable to Mr Z.

Mr Z has told us that from November 2023, he believed that police had taken his car, but in about March 2024 he realised someone had stolen it (with the sound system he’d installed in the car its and with some of his belongings).

By a final response dated 20 March 2024, First Central said it was sending Mr Z £100.00 compensation.

By a letter dated 17 April 2024, First Central said it was sending Mr Z £3,095.00 for the car.

First Central said it was sending Mr Z cheques for £100.00 compensation for the delay in settlement and £98.52 interest (rounded up to a further £100.00).

First Central said it would send Mr Z a bank transfer for £400.00 in total. It stopped some or all of the cheques. First Central didn’t correctly process the bank transfer of £400.00.

Mr Z brought his complaint to us in mid-June 2024. He asked us to direct First Central to pay him the following:

- £400.00 as agreed;
- £150.00 for his interpreter's cost of bringing the complaint to us;
- £250.00 or other maximum personal belongings compensation;
- £1,099.00 for the cost of the sound system.

In mid-August 2024, First Central, through us, made an offer to increase the compensation to £500.00.

Our investigator recommended that First Central's offer was fair. He thought that the compensation offered by the insurer was fair for the trouble and upset Mr Z experienced.

Mr Z disagreed with the investigator's opinion in part. He asked for an ombudsman to review the complaint. He says, in summary, that:

- If First Central had properly followed process for collection, the car, his belongings and the sound system would have not been stolen.

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.

The policy covered Mr Z's car and its accessories. The policy didn't cover personal belongings in the car. The policy terms excluded loss or damage to audio equipment. The policy terms also excluded modifications to the car.

The accident and the need to make a claim were, in my view, bound to cause Mr Z some inconvenience including the need to contact First Central.

Theft of a car is a serious criminal offence. That is the case even if the car is vulnerable to theft because, for example, of its situation or its lack of security.

Whilst First Central may have contributed to the vulnerability of the car, I don't find it fair and reasonable to hold First Central responsible for the criminal acts of others, save insofar as the policy covered the theft. So I don't find it fair and reasonable to direct First Central to pay Mr Z any compensation for uninsured losses such as loss of the sound system or personal belongings.

The Financial Ombudsman Service is a free and accessible service. That includes translation. So I don't find it fair and reasonable to direct First Central to compensate Mr Z for his costs of engaging a translator.

I've noted many shortcomings in First Central's service to Mr Z. They include the following:

- Poor communication with its salvage agents.
- Poor communication with Mr Z, including mis-addressed communications.
- Delay in paying the total loss claim.

- Its salvage agent disturbing Mr Z unnecessarily early one weekend morning.
- Delay in paying agreed compensation.

I've thought about the impact of those shortcomings on Mr Z. I've noted that the impact has lasted for about a year and has included frustration and anger. First Central tried to put things right by compensation and interest, but made things worse by failing to pay it.

Putting things right

All things considered, I conclude that £500.00 is fair including interest and compensation for the extra distress and inconvenience First Central's shortcomings caused Mr Z at an already difficult time for him.

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 Mr Z (insofar as it hasn't already paid him) £500.00 for distress and inconvenience including interest.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 23 December 2024.

Christopher Gilbert
Ombudsman