

The complaint

Miss M complains about the way First Central Underwriting Limited (First Central) have handled the claim she made under her motor insurance policy.

What happened

The details of this complaint will be well known to both parties and so I've summarised events. In December 2023 Miss M was unfortunately involved in an accident and so submitted a claim to First Central under her motor insurance policy. Miss M said the conditions of the road caused the accident and so the council should be held responsible for it. When Miss M reported her claim First Central told her it would be unable to recover its costs from the council.

Miss M was also provided a hire vehicle and was told by First Central she would have the hire vehicle for 28 days. Once First Central raised a payment for the total loss of her vehicle, Miss M was contacted by the hire company to return the hire vehicle. Miss M also requested her personal belongings be returned by the salvage agent, but there were a number of items missing. It was later discovered these items were removed from the vehicle by the recovery agent who initially recovered Miss M's vehicle.

Miss M raised a complaint. She was unhappy First Central had said it would be unable to recover its costs from the council. She was also unhappy she had been told she would have the hire vehicle for 28 days, only for this to be off hired. She said this meant she was unable to collect her belongings from the recovery agent, which she suspected had been damaged. She also requested a refund of the breakdown part of her policy.

On 20 February 2024 First Central issued a final response on Miss M's claim. It said it had provided misleading information to Miss M about the length of time she would have the hire vehicle. It said it had told Miss M if she provided information about the council it could look to speak to them about the accident. It said it had told Miss M on 8 January 2024 it would set a task for its liability team to call her but the liability team had only spoken to her the day before. It said it would put a note on the policy to waive any cancellation fees if Miss M cancelled the policy, and that any refund of the breakdown cover would be calculated on a pro-rata basis. It said it had raised £65 towards the cost of transportation to allow Miss M to collect her belongings, but said it wasn't reasonable to hold it responsible for any damage that may have been caused to them. It said it would pay Miss M £150 compensation. Miss M didn't think this was reasonable and so referred her complaint to this Service.

Our investigator looked into things. She said she thought the £65 First Central had paid towards transportation costs was reasonable and if Miss M's belongings were damaged she would need to raise this with the appropriate entity. She said she thought it was reasonable for First Central to record the accident as a fault claim and for Miss M to pay her policy excess. She said she understood Miss M had approached First Central about the cancellation of her policy but this hadn't actually been carried out and so she couldn't comment on this further. She said she thought First Central had provided poor service during the claim and it should pay Miss M a total of £200 compensation for the distress and inconvenience caused.

Following our investigator issuing her view, First Central paid a settlement towards Miss M's personal belongings and said on receipt of relevant receipts it would raise a further settlement up to the policy limit of £250 for personal belongings. Our investigator issued a further view. She said she thought First Central's payment toward Miss M's personal belongings was reasonable, but it should still pay Miss M a total of £200 compensation. She also said Miss M would need to approach the business responsible for her breakdown cover if she wanted a refund of these costs.

First Central accepted our investigators view but Miss M rejected it. She said she didn't think First Central had adequately investigated the cause of the accident. She said she should be able to claim under the uninsured driver's section of the policy.

As Miss M didn't agree with our investigator the complaint has been passed to me 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.

I want to acknowledge I've summarised Miss M's complaint in less detail than she's presented it. I've not commented on every point she has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Miss M and First Central I've read and considered everything that's been provided. I've addressed the key points separately.

Liability decision

I should first explain that it isn't this Service's role to say who's at fault for causing an accident as that's the responsibility of the courts. Our role is to look at whether First Central carried out a fair investigation, reviewed all of the evidence it has and has come to a reasonable decision.

The terms of Miss M's policy allow First Central to take over and conduct the defence or settlement of any claim made under the policy. So it was entitled to settle the claim on what it believed to be the best terms and it had the final say on how to settle a claim. However it needed to exercise this right fairly and reasonably, taking into account everything that's been provided.

I should also explain that when an insurer records an incident as a 'fault' incident, it doesn't always mean it believes the insured was responsible for the accident. An accident may not be the fault of the insured, but if an insurer is unable to make a recovery of its costs from a third party, the accident will be considered a 'fault' accident.

Miss M has said she believes the surface of the road caused the accident and the council should be held responsible for this. First Central have said it contacted the police who said the officer who attended the accident couldn't apportion any blame for the accident on the road surface which was in a good state of repair. Therefore First Central have said it will be unable to make a recovery of its costs.

Based on the evidence provided I don't think First Central have acted unreasonably by recording this accident as a fault accident. The police who attended the accident have said it doesn't believe the road surface was responsible for the accident and so First Central don't have sufficient evidence to be able to hold the council responsible for the accident. I think at the point First Central made the decision on liability, it had appropriately considered all of the

evidence available to it and had reached a reasonable decision on the claim.

I can see Miss M was unhappy she was having to provide information to First Central in order for it to see if it could recover its costs. She said she thought this is something First Central should be doing on her behalf. The general conditions of Miss M's policy explain Miss M must provide First Central with all of the information about the accident it needs. I think it was reasonable for it to require Miss M to provide it with the details of the council and police so it could consider whether it was able to make a recovery of its costs.

I understand Miss M has obtained further information following a freedom of information request from the police. If Miss M wants First Central to take this into consideration, then she should provide this information to it in the first instance. If she has already done so and is unhappy with its response then she can raise this as a separate complaint.

Customer Service

First Central have acknowledged its service fell below the standard it should have done and so have paid Miss M £150 compensation. I've considered whether this is reasonable to acknowledge the impact caused to Miss M as a result of its errors.

Miss M was given incorrect information about how long she would be entitled to a hire vehicle for. Miss M was told she would have the courtesy car for 28 days but failed to make her aware it would need to be returned earlier if her vehicle was declared a total loss and she received a settlement. It caused Miss M distress and inconvenience when she was told the hire vehicle would need to be returned and she would need to make alternative arrangements.

I can see Miss M had several conversations about liability and was expecting to receive a call from First Central to discuss this but this didn't happen. It's clear this was important to Miss M and so it would have caused her distress and inconvenience not to receive a call from the liability team as promised, and having to spend time chasing a response.

First Central don't appear to have taken into consideration the distress Miss M was caused by the misleading information it provided about the hire vehicle. I think £200 compensation is more reasonable to acknowledge the distress and inconvenience Miss M was caused during her claim as a result of First Central's errors.

I want to note Miss M's hire vehicle cover is provided by another insurer and so if Miss M has experienced any issues with this then she would need to raise this with the business responsible for providing this cover.

Personal belongings

After Miss M asked for her personal belongings to be returned it became apparent they had been removed by the recovery agent instructed by the police. Miss M said she was unable to collect her belongings as she needed to return the hire vehicle unexpectedly. She also had concerns her items would be damaged once she had the opportunity to recover them.

First Central agreed to pay Miss M £65 from the personal belongings cover section of the policy so she could arrange to collect her belongings. I've not seen any evidence the cost for Miss M to collect her belongings exceeds this amount, and it allowed Miss M to collect her belongings at a time that was convenient to her, and so I think this was reasonable.

Following our investigator's view First Central have agreed to reimburse Miss M for her personal belongings up to the £250 policy limit. Miss M has said she was unhappy with the

length of time this has taken and the information she was being asked to provide.

The terms of the policy are clear there is a £250 limit for personal belongings. And this provides cover if personal belongings are lost or damaged as a result of an accident. Miss M has told this Service she hasn't attempted to collect her belongings, meaning they may be undamaged and available for her to collect. Therefore I don't think she has demonstrated her belongings have been lost or damaged as a result of the accident. So overall, I think First Central have been more than reasonable by agreeing to cover Miss M's personal belongings up to the policy limit and I don't require it to pay anything further in relation to this.

Other issues

Miss M is unhappy she hasn't received a refund of the premiums she paid towards her breakdown cover. In its final response First Central have said if Miss M were to cancel her policy any refund would be considered on a pro-rata basis, but at this point, the cancellation of her policy hadn't been requested by Miss M.

The terms of Miss M's policy suggest the broker is responsible for handling any requests to cancel the policy. And as Miss M hadn't cancelled her policy at the point First Central issued its final response I haven't taken this into consideration as part of this decision. If Miss M believes she had requested her policy be cancelled and hasn't received an appropriate refund of premiums she should raise this with the appropriate business in the first instance.

Miss M has said regardless of whether First Central are able to make a recovery of its costs, her no claims discount should be allowed under the uninsured drivers promise section of her policy. This section of the policy would only be relevant if Miss M had a non-fault accident with another driver who was uninsured. That isn't the case here and so this section of the policy isn't relevant to Miss M's claim.

Miss M has also attempted to submit a claim under the legal expenses section of her policy. This section of the policy is provided by another insurer, and so if Miss M is unhappy with the service she received when submitting a claim under this section of the policy she would need to raise this with the insurer responsible.

My final decision

For the reasons I've outlined above I uphold Miss M's complaint about First Central Underwriting Limited. It should pay Miss M a total of £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 20 February 2025.

Andrew Clarke
Ombudsman