

## **The complaint**

Mrs M complained about the referral by Yoga Insurance Services Limited to an accident management company (AMC) when she raised a claim.

Throughout the claim and complaint process, Yoga has had a representative acting on their behalf. In this decision, any reference to Yoga includes the actions and comments of their representative.

## **What happened**

In January 2024, Mrs M's car was hit whilst parked by a third party. Mrs M contacted Yoga to log a claim. During this call, Mrs M was asked how she wanted her claim to be handled. As a result of the conversation, Mrs M's claim was referred to an AMC. Mrs M has since been chased by solicitors acting on behalf of the AMC asking for her to complete paperwork. Mrs M has also had the AMC telling her that she's going to be liable for the AMC's costs.

Mrs M didn't understand why this process was happening. She also didn't understand why her insurance company wasn't handling her claim. As a result, Mrs M raised a complaint.

Initially the complaint was responded to by the AMC, they apologised for the letters they'd sent out and offered £75 compensation. A further complaint response was issued by Yoga on the AMC referral. However, they didn't agree that they'd done anything wrong. They said they'd given Mrs M all the required information for her to be able to make an informed choice.

Our investigator initially upheld the complaint. They said there was no evidence that Mrs M had heard a recorded message which provided information on an AMC referral. They also said we hadn't been provided with the call recording where Mrs M had agreed to use an AMC. Our investigator also felt that the referral was suitable for Mrs M.

Mrs M accepted the outcome. However, Yoga didn't agree. They said that Mrs M had been played the recorded message. They also said Mrs M had confirmed she wanted to proceed with using the AMC and had provided the call recording to evidence this. Finally, they said a further discussion happened about needing a credit agreement on a follow up call.

Our investigator reviewed the additional information from Yoga but didn't think it changed their outcome. They said there still wasn't evidence Mrs M heard the recorded message. They added that the referral information during the call wasn't good, and they still didn't think Mrs M needed to use credit hire. Yoga still didn't agree with the investigator's outcome. As no agreement could be reached, the complaint has been passed to me to make a final decision.

## **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.

Having done so, I've come to the same conclusion as the investigator. I'll explain why.

It's important to set out that when Mrs M contacted Yoga to raise a claim, she did so with the intention to claim for the damage to her car through her insurance policy. So, I thought about whether Mrs M was given enough information to make an informed choice about whether she wanted to claim through her insurance policy or to use an AMC.

As a minimum, I would have expected Yoga to explain to Mrs M what the benefits and risks of using an AMC, as well as explaining her rights under her insurance policy. In addition to this, I would expect there to have been a consideration of whether Mrs M has a need for credit hire.

Yoga has told us that every customer that contacts their claims team is played a message which sets out the benefits and risks of using an AMC. They've sent us a copy of the message. Having listened to the message, I agree that it sets out the risks and benefits. However, whilst Yoga has said this message would have been played to Mrs M, there is no evidence this happened. Even if I accept that the message was played, there is no evidence that Mrs M listened to the message. During the call with the adviser, there was no requirement for Mrs M to confirm that she heard the message and understood its contents. The referral to the AMC took place more than half an hour into the call so I can understand if Mrs M did listen to the message and had forgotten about what it included or didn't link it to the AMC referral. So, I'm not considering the information in the recorded message as part of this complaint.

During the call itself, the adviser sets out some benefits of using an AMC in regard to not paying an excess and receiving a hire car. The adviser then sets out that if using your own policy, you do have to pay your excess and a hire car is subject to availability. The adviser doesn't explain that if the claim is settled as non-fault, you'll likely get your excess back and most consumers when claiming through their own insurance policy will receive a hire car.

It's clear that Mrs M was confused and didn't understand what she was being asked. The adviser tries to provide further information to help Mrs M decide. He reiterates that if you go through your own insurer, you'll have to pay an excess. He also states that the claim will go against Mrs M's no claims. Mrs M tells the adviser that she has protected no claims to which she's advised that it would still be a claim on her insurance. It's unclear why the adviser said this as even if Mrs M went through the AMC, she'd still likely have to report the accident at her next renewal.

Mrs M was still confused but chose to proceed. A bit later in the call, the adviser confirms that Mrs M will need to enter into a credit hire agreement, that Mrs M isn't claiming through her comprehensive insurance policy and removing the right to complain through this service. However, this was after the referral had taken place.

Towards the end of the call, Mrs M states that she still doesn't understand why an AMC are dealing with it and not her car insurance company. The adviser responds by saying they're an AMC and they deal with non-fault claims. He specifies who Mrs M's insurer is and says they work with them if it's a non-fault claim.

At this point I would have expected the adviser to inform Mrs M that she can use her own insurer if she'd prefer and offer to start that process. However, instead it sounded as though the AMC were working on behalf of Mrs M's insurer which isn't the case.

Based on what I've heard, I don't think Mrs M understood what was happening or what her options were. It's clear that she was confused. I don't think the adviser gave her all the information she needed to make an informed choice. I also don't think the adviser gave Mrs M an accurate reflection of both the benefits and risks of both options. Finally, I don't think the adviser supported Mrs M when she was obviously still confused and unsure.

Had it been explained so that Mrs M understood what the options were, I think it's most likely Mrs M would have chosen to claim through her insurer as opposed to use an AMC. Yoga also didn't assess Mrs M's need to use an AMC. I haven't seen anything to suggest Mrs M had a specific need for the claim to be handled by an AMC instead of her own insurer. As a result of the poor referral by Yoga, Mrs M has been sent letters requesting information for legal proceedings. This has caused Mrs M distress and inconvenience. Whilst I note the third party has accepted liability and the claim may not need to go to court, had the claim been through her own insurer, there wouldn't have been the need to request any or at least as much of the information or consent that the AMC has. I also think the general fact Mrs M has had to raise a complaint has caused her further inconvenience.

The AMC offered Mrs M £75 compensation. Our investigator thought Yoga should pay Mrs M a further £75 (£150 in total) to reflect the distress and inconvenience caused as set out above. Having considered the circumstances, I think this is a fair and reasonable resolution.

### **My final decision**

For the reasons I've set out above, it's my final decision that I uphold this complaint and I require Yoga Insurance Services Limited to pay Mrs M £75 compensation in addition to the £75 offered by the AMC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 7 February 2025.

Anthony Mullins  
**Ombudsman**