

The complaint

Mr B complains about BISL Limited trading as Budget Insurance Services (“BISL”) and the handling of the claim he made following his involvement in a non-fault road traffic accident.

What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mr B held a motor insurance policy that was arranged by BISL in their role as an intermediary. The policy itself was underwritten by a separate insurer.

Unfortunately, Mr B’s car was involved in a non-fault road traffic accident. So, he contacted BISL to make a claim. An agent of BISL’s referred Mr B’s claim to an accident management company, who I’ll refer to as “E”, to manage the claim on a credit repair basis. And E instructed their own repairer, who I’ll refer to as “IMS”, to complete the repairs to Mr B’s car.

But Mr B was unhappy with the quality of the repairs IMS completed. And the service he received trying to put this right. So, he raised a complaint to BISL. BISL responded to the complaint and didn’t uphold it, explaining that IMS were instructed by E, who were managing the repairs on a separate credit repair agreement. Mr B remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn’t think it was one our service could consider. They explained Mr B had entered into a separate, unregulated agreement when authorising E to manage the repairs to his car. And they explained why BISL weren’t responsible for the actions of E, or IMS.

Mr B didn’t dispute these findings. But he explained he hadn’t been told BISL were referring his claim to E, or why this was done. So, our investigator contacted BISL to request their consent to consider Mr B’s complaint about the quality of their referral. BISL provided this consent and so, our investigator considered this point.

Having done so, they upheld the complaint. They thought BISL’s referral to E was a poor one, considering the clarity of the information they provided and Mr B’s difficulty understanding this information due to English not being his first language. So, they recommended BISL pay Mr B £100 to recognise the impact this had.

BISL accepted this recommendation. And Mr B did initially, although he later rejected this recommendation explaining he had misunderstood our investigators view. And he set out why he didn’t think £100 was enough, referring back to the lost of value he felt his car has suffered due to the repair issues. Our investigator reiterated what our service could and couldn’t consider. Mr B continued to disagree and so, the complaint has been passed to me for a 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'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I think it's important to set out exactly what I'm able to consider as part of this decision. While I note Mr B didn't specifically dispute our investigators first view regarding our services jurisdiction, I note in his push back to their second view he referred to the repairs completed to his car and the financial impact this caused. So, I think this clarification will help make my decision easier to understand.

I note Mr B is unhappy with the quality of the repairs completed by IMS, on the instruction of E. And I can appreciate why Mr B would hold BISL responsible for this, as it was BISL and their agent he contacted when he first raised his claim.

But crucially, by agreeing for E to manage his claim, Mr B entered into an entirely separate credit repair agreement with E, that isn't regulated by the rules our service work within. So, the actions of E and IMS, and the quality of the repairs IMS completed, isn't something I've been able to consider, or decide upon.

Instead, this decision focuses solely on the actions of BISL I can consider. And this is limited to the quality of BISL's referral to E.

When considering this referral, our service expects BISL to have provided Mr B with information that was fair, clear and not misleading so he was able to make an informed decision about how he wished to proceed.

In this situation, I note BISL have already accepted our investigators initial recommendation which set out why they didn't think BISL had acted fairly when referring Mr B to E. So, as BISL accepted this, I think it's reasonable for me to assume this point is no longer in dispute.

But for completeness, I want to make it clear to both parties I have listened to the initial call Mr B made to BISL when raising his claim, where he was referred to E. And while I do think BISL attempted to ensure Mr B had the relevant information, I think it should have been reasonably clear to BISL that Mr B was unlikely to have understood the information they provided as English wasn't his first language. And while BISL did explain the impact of Mr B choosing to use his own insurer instead, I'm not satisfied they made it reasonably clear the impact of Mr B continuing with the referral to E, which including entering into a new, non-regulated agreement. So, I'm satisfied the referral was a poor one and because of this, I've then turned to what I think BISL should do to put things right.

Putting things right

When thinking about what BISL should do to put things right, any award or direction I make is intended to place Mr B back in the position he would have been in, had BISL acted fairly in the first place.

So, I've thought about what actions I think Mr B is most likely to have taken, had BISL provided a fairer referral. And in this situation, I note Mr B has explained to our investigator that he didn't care who repaired his car, only that it was repaired well. And while I note it's since transpired that Mr B was unhappy with the quality of IMS' repairs, he wouldn't have known at the time this is how the claim would go.

So, considering the above, even if BISL have provided a better referral, I don't think I can be satisfied Mr B would've done something differently, for example claim on his own insurance policy, as ultimately using E removed the need to pay an excess or make a claim on his own policy, which I do think was made clear in the initial claim call.

But even so, I do think it's clear BISL's failure has caused Mr B some confusion. And this confusion has led to him needing to speak to several parties following his unhappiness with the repairs to try and ascertain who is ultimately responsible and who he can complain to. And I'm satisfied this would have been both upsetting and inconvenient.

Our investigator recommended BISL pay £100 to recognise this impact, which I note BISL accepted. And having considered this recommendation, I'm satisfied it is a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward.

I think it fairly recognises the confusion Mr B has been caused, and how this has impacted him when trying to raise issues about the quality of the repairs. But I think it also fairly takes into account the fact that BISL aren't responsible for the quality of the repairs, or the actions of E who arranged them. And, that I'm persuaded Mr B would've most likely continued to engage E and their services, even if the referral had been of a better standard. So, this is a payment I'm directing BISL to make.

I understand this isn't the outcome Mr B was hoping for. And I again want to recognise his unhappiness about the quality of the repairs to his car. But Mr B will need to raise these concerns with E and IMS directly and if he remains unhappy, explore what options he has available to escalate his concerns.

My final decision

For the reasons outlined above, I uphold Mr B's complaint about BISL Limited trading as Budget Insurance Services and I direct them to take the following action:

- Pay Mr B £100 compensation to recognise the impact I've detailed above, if this hasn't been paid to Mr B already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 March 2025.

Josh Haskey
Ombudsman