

## **The complaint**

Ms B complains about BISL Limited ("BISL") and their referral of her claim to credit hire and repair services.

## **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, Ms B held a motor insurance policy that was arranged, and administered, by BISL in their role as the policy broker. The policy itself was underwritten by a separate insurer, who I'll refer to as "A".

In June 2023, Ms B was involved in a road traffic accident. So, she contacted BISL to make a claim. The first notification of loss ("FNOL") call was handled by an agent of BISL and so, BISL are ultimately responsible for the advice that agent provided. Because of this, I will refer to the agent as "BISL" throughout the decision. And on this call, Ms B's claim was referred to an accident management company, who I'll refer to as "E", to manage the hire and repairs to her car.

But E were unable to recover their costs from the third-party insurer ("TPI"). And E requested Ms B cooperate with legal proceedings to assist them in attempting to recover these through court. Ms B was unhappy about this and her realisation she entered into an agreement with E that could leave her liable for the hire costs incurred, when she thought she was claiming through her own insurance policy. So, she complained to BISL about this.

BISL responded to the complaint and upheld it. They accepted their referral to E, and the information provided to Ms B about this on the FNOL call, was poor. So, they issued Ms B a cheque of £150 to recognise the impact this poor referral created. But they also made it clear E were not chasing Ms B for their fees but instead were seeking for Ms B's co-operation, which they noted Ms B agreed to provide on the call itself. Ms B remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and upheld it. They agreed BISL's referral to E was a poor one, noting Ms B had made it clear the third-party driver disputed liability at the scene of the accident. So, they didn't think a referral to E should have been an option, even though Ms B made it clear of her need for a replacement car, as she also held an add-on on her insurance policy that guaranteed her a hire car for up to 14 days.

So, considering the above and the anxiety and distress Ms B would have felt when receiving letters from E discussing legal proceedings and the need for co-operation, they recommended BISL increase their compensatory offer to £375 in total, which included the £150 already issued.

BISL accepted this recommendation. But Ms B didn't, providing several comments setting out why. These included, and are not limited to, her belief that £375 wasn't enough to compensate her for the distress and inconvenience she suffered, and the fact she was unable to utilise the hire car cover she had intentionally added to her motor insurance policy. She maintained she wasn't made reasonably aware she wasn't claiming through her own

insurance policy, and she reiterated her unhappiness that this left her using the services of E, which were unregulated and so, can't be considered by our service. As Ms B didn't agree, 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.

Before I explain why I've reached my decision, I think it would be useful for me to set out what I've been able to consider, and how. My decision focuses solely on the actions of BISL, which in this situation are limited to the quality of their referral to E, and the information provided to Ms B when they chose to do so. While I note Ms B is unhappy with the service provided by E and their agents, this service was provided under an entirely separate and legally binding credit agreement. So, she would need to pursue her issues about E separately and this hasn't impacted the decision I've reached.

I also want to make it clear that it's not my role, nor the role of our service, to penalise or punish BISL for any errors I feel they made. Instead, it is my role to consider the impact of these errors on Ms B alongside the individual circumstances of her complaint and if necessary, make an award or direction that reasonably compensates Ms B for these.

In this situation, I note BISL have already accepted the quality of their referral was poor. So, I don't intend to discuss the merits of the complaint itself in significant detail. But for completeness, I want to reassure Ms B I've listened to the FNOL call. And having done so, I'm satisfied BISL failed to provide Ms B with fair and clear information that allowed her to make an informed decision on how to proceed.

In fact, I'm persuaded it should have been reasonably clear to BISL that referring Ms B to E wasn't the right decision to take, considering a referral was only intended for non-fault claims and Ms B had openly communicated the fact the third-party driver has disputed liability at the scene. So, I'm satisfied BISL should've been reasonably aware it was unlikely that E would've been able to recover their costs incurred under the credit repair agreement without challenge.

Further to this, on the same call Ms B made BISL aware of her knowledge of the guaranteed hire car cover that was added to her policy. So, I'm satisfied BISL ought to have done more to discuss Ms B's options with her and that, had they done so, Ms B would have most likely to have chosen to claim on her own policy, rather than use the services of E. So, as I'm satisfied BISL acted unfairly, I've then turned to what I think BISL should do to put things right.

### **Putting things right**

I note BISL initially issued Ms B a cheque for £150 to recognise the above. And, they have since accepted our investigators recommendation to increase this payment to £375 in total. So, I've considered this recommendation at length. Having done so, I'm satisfied it is a fair one, that falls in line with our services approach and what I would have directed, had it not already been put forward.

I think it is significant enough to compensate Ms B for the clear distress and inconvenience she's been caused by the situation, as I've no doubt it would have been worrying and confusing for Ms B to receive communication from E that requested her cooperation in legal proceedings, when I don't doubt she assumed she was claiming through her own insurance policy.

But I think it also fairly reflects the fact that, at this point, E aren't actively seeking to recoup the costs they incurred from Ms B. Instead, they are requesting her cooperation to allow them to pursue the TPI through legal proceedings. And I must take into account Ms B agreed to provide this cooperation on the FNOL call and when signing the credit agreement documents with E which I do think she had a responsibility to understand before agreeing to. And I do think Ms B could have sought clarity on these documents with E after the referral by BISL had been made.

So, because of the above, I am directing BISL to make an additional payment to Ms B, to ensure she receives a total compensatory payment of £375.

I understand this is unlikely to be the outcome Ms B was hoping for. And I want to reassure her I've considered all the points she's made, even if I haven't commented on them specifically in line with our service's formal approach. But as I've already outlined above, my direction isn't intended to punish or penalise BISL. And any refund Ms B may want that relates to the premium she paid for the additional hire car cover on her policy would be the responsibility of her insurer, A, as they are the business that set and charge the premium for the policy she paid. This isn't something BISL are able to do, nor would I expect them to.

### **My final decision**

For the reasons outlined above, I uphold Ms B's complaint about BISL Limited and I direct them to take the following action:

- Pay Ms B the additional amount required to ensure she receives a total compensatory payment of £375.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 21 April 2025.

Josh Haskey  
**Ombudsman**