

The complaint

Mrs H complains about the service she received from BISL Limited after she notified it that her car had been damaged in an accident.

This complaint involves the actions of agents for whom BISL is responsible. Any reference to BISL includes its agents.

What happened

Mrs H held a motor insurance policy which was arranged and administered by BISL.

In mid-2024, Mrs H contacted BISL to make a claim for damage to her car that had been caused by another driver.

The BISL representative referred Mrs H to an accident management company ("E") to deal with the repairs and provide Mrs H with a hire car.

Mrs H later complained about the service she'd received from E. She said she'd been told that the third-party driver had disputed liability, but she wasn't able to get any information about what was happening with the claim. She felt too many people were dealing with the claim. Mrs H was also unhappy that E had made her return the hire car while she was on holiday abroad, which meant she had difficulties getting to and from the airport.

BISL said that if the third-party insurer had disputed liability, E would have transferred Mrs H's claim to the underwriter of her policy. It said E had advised it had been unable to evidence any contact from Mrs H questioning the liability for the incident. It said the vehicle Mrs H had been provided with was a credit hire vehicle and the cost of this would be paid by the third-party insurer. The third-party insurer would dispute any hire period and costs for the vehicle while it was parked unused while she was away on holiday. E had confirmed that in the event Mrs H's vehicle's repairs weren't completed by the time she returned, another vehicle had been reserved for her.

BISL advised Mrs H to contact its claims team if she incurred any costs regarding her journeys to and from the airport or until E provided another vehicle. It said that as she had motor legal protection on her policy, the claims team would be able to instruct a legal representative to assist with the recovery of her out of pocket expenses.

BISL said it had no involvement in the handling of Mrs H's claim. Any calls for updates would be transferred to the company who was handling the claim and might result in Mrs H speaking with different departments. It apologised for any inconvenience caused but it said that no errors had been identified in the service BISL had provided.

Mrs H remained unhappy and asked the Financial Ombudsman Service to consider her concerns.

I issued a provisional decision on 7 April 2025, where I explained why I didn't intend to uphold Mrs H's complaint. In that decision I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Based on what I've seen so far, I intend to uphold Mrs H's complaint. I'll explain why.

BISL had an obligation to provide Mrs H with information which was clear, fair and not misleading to allow her to make an informed choice about how to pursue her claim.

I've listened to the call where Mrs H notified BISL's representatives of the damage to her car. After going through the details of the incident, the BISL representative said the information she'd given suggested Mrs H was not at fault for the accident, and she was eligible for a hire car and repair service. The representative said they would arrange this through E. She said E would give Mrs H a similar sized vehicle and a five-year repair guarantee and there was no excess applicable. She said it wouldn't affect Mrs H's excess and it wouldn't affect her no claims because she was claiming against the other driver's insurance.

The BISL representative went on to say that hires and repairs were dealt with through a credit agreement, and E would provide the agreement for Mrs H to sign electronically. Mrs H would have full commitment from E to claim her hire and repair charges back from the at fault driver's insurance. She said that they may encounter issues to which E would require Mrs H's full cooperation to recover the charges back from the at fault driver's insurance.

The representative asked Mrs H if she was happy for her to instruct E for her hire and repairs. Mrs H said she was, and queried if E would be doing the repairs as well. The representative said "we" would arrange the hire and "we're going to go to the repairer for you as well. So, we'll let you know where your vehicle's going."

The representative then said:

"If for any reason, you didn't want to go to (E), I just have to let you know that alternatively, you do have the option of having your hires [sic] and repairs completed through your own underwriter insurance. But unlike going through E, this may incur an excess depending on the third-party accepting faults."

While BISL did let Mrs H know she had the option of pursuing her claim through her insurer, I don't think the information it gave her was as clear and balanced as it should have been.

The representative seemed to be steering Mrs H towards using the accident management company without explaining any disadvantages of using it compared to going through her insurer.

BISL didn't explain to Mrs H that by not claiming on her insurance policy, and dealing with an accident management company she would be stepping outside of her regulated insurance contract. This would mean that if anything went wrong, she would lose her right to bring a complaint to the Financial Ombudsman Service.

The BISL representative used the word "we" when talking about arranging the hire and repairs. She also said that E was approved through Mrs H's car insurance. So, I don't think she made it clear that E was separate from the insurer or that she was stepping outside of her regulated insurance policy.

BISL didn't appear to check what cover Mrs H had in place during the call and explain it to her so she could make an informed choice on which option to use. The representative told Mrs H she may incur an excess if she went through her insurer. But Mrs H had motor legal expenses insurance which included uninsured loss recovery. Mrs H also had guaranteed replacement car cover. And the representative didn't mention either of these benefits.

Having considered the above, I'm not persuaded BISL gave Mrs H enough information to allow her to make an informed choice about whether to pursue her claim via the accident management company or whether to use her insurance policy. So, I've gone on to consider what Mrs H would likely have done if she had been given better information.

When Mrs H notified BISL of her claim, she said there was minimal damage, and the car was still driveable. Mrs H's motor insurance policy included a courtesy car whilst an approved repairer fixes the car (subject to availability). She also had guaranteed replacement car cover for up to 28 days.

I note that Mrs H wasn't guaranteed a 'like for like' vehicle under her insurance policy, while E would provide her with a similar sized vehicle. But Mrs H's own car was small. So, I don't think she would have seen any advantage in going through E in terms of the hire car she would have received.

I also don't think it's likely Mrs H would have chosen E to avoid paying the excess, given that she had legal expenses insurance.

I'm persuaded from the above that if BISL had given Mrs H clear information about both options available to her, she would likely have chosen to pursue the claim through her insurer. So, I've gone on to consider the impact of BISL's poor referral on Mrs H.

Mrs H feels BISL is responsible for poor communication from E regarding the progression of her claim and for her being left without a hire car while she was away on holiday. She's also commented that there were too many people involved in her claim.

I understand there was some poor communication from E in relation to Mrs H's claim. But I don't think it would be fair to hold BISL responsible for this as I don't believe this was a direct consequence of its referral.

Mrs H's motor insurance policy included the use of a courtesy car while repairs were being carried out by an approved repairer (subject to availability). Mrs H also had guaranteed replacement car cover for up to 28 days. So, I think it's likely Mrs H would have had the use of a courtesy car or a hire car while her car was being fixed if she'd claimed through her own insurance policy. And I don't think she would have been required to give this back for the time she was away on holiday. Mrs H says she had to rely on her husband taking her to and from the airport in the middle of the night, which was frustrating for her.

I also think BISL is responsible for causing Mrs H some distress and inconvenience by not being clear about its role and the options available to her. This caused her some unnecessary confusion and meant she had to deal with more parties than she might otherwise have done. I've listened to recordings of some of Mrs H's conversations with BISL. Mrs H told BISL she'd been informed the other driver had claimed she was responsible for the accident. In two other calls she tried to get some further information about this, but BISL wasn't able to update her. I think this situation might have been avoided if Mrs H had claimed through her insurer.

Having considered the impact of BISL's poor referral on Mrs H, I think it would be fair for it to pay her £200 to put things right."

I set out what I intended to direct BISL to do to put things right. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses

BISL said it didn't wish to dispute the findings I'd made in my provisional decision.

Mrs H commented that she'd insured her car with premium insurance and paid a premium price, but she was forwarded to a substandard accident management company which was good for the repair but didn't manage the accident for her. She shared some correspondence she'd received from E in July 2024 which said the third-party insurers had some queries on liability for the accident. She said when she phoned regarding the outcome of their email asking for details no one knew anything about it.

Mrs H said she wasn't able to claim for her journeys as they were in her husband's car. The credit hire agreement said she couldn't take the car out of the country, not that she couldn't go out of the country. She said this caused a lot of worry for weeks and spoilt her holiday because she was worried about her husband who is in his 70s having to do a 70-mile journey in the middle of the night twice. She said he was also on her insurance but because he was tricked into saying he had use of another car, E wouldn't let him keep the hire car. She could have used his car but that wasn't good enough.

Mrs H said BISL was of no help. It didn't put her through to anyone or take it up on her behalf. She didn't think £200 was enough for the whole charade.

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 appreciate Mrs H doesn't feel £200 is sufficient to put things right. But I'd already considered BISL's poor customer service, and the impact of Mrs H being left without a hire car when she went on holiday my provisional decision.

As explained, it wouldn't be fair to hold BISL responsible for E's poor communication as it wasn't a direct consequence of the poor referral.

I think £200 reasonably recognises the distress and inconvenience Mrs H experienced as a direct result of BISL's poor service. So, I'm not persuaded to increase the compensation award.

Putting things right

BISL should pay Mrs H £200 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mrs H's complaint and direct BISL Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 13 May 2025.

Anne Muscroft
Ombudsman