

The complaint

Mr P complains that First Central Underwriting Limited made a number of errors when handling a claim on his policy. In particular he says it gave him incorrect information about recovering items from his car, kept him waiting on hold for a long time, and misled him as to the level of compensation payable.

What happened

Mr P's car was hit by another from behind. He took what items from the car at the scene that he could but couldn't open the boot. A recovery agent took his car away.

First Central told Mr P his car was a total loss and would remain at a local storage yard until the following week. But, when he went to collect personal items from the car later that week, he was told that salvage agents had already collected the car and moved it to a yard many miles away. He asked the salvage agent to return his personal items but it only returned a carrier bag.

While dealing with First Central it put him on hold for a long period. Mr P complained. When it responded to his complaint it told him it was give him £400 by way of compensation. But it only paid him £100. When he queried this First Central told him that the £400 figure was a typo and that it should have been £100. It said it would pay him a further £25 to say sorry. It then said it would pay a further £50 as well. But it actually sent him £125. It also told Mr P that if he could provide receipts for other items he'd left in the car it would consider compensation for those.

Mr P brought his complaint to the Financial Ombudsman Service. One of our Investigators looked into it. While noting that First Central was still considering another matter, concerning a £130 settlement that Mr P said had appeared and then disappeared on his portal, otherwise the Investigator didn't think First Central needed to take any other action. Mr P didn't agree so the complaint's been passed to me to determine.

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.

There's no doubt that First Central's mistakes have put Mr P to some inconvenience and indeed to some uncertainty. If it had been clear about when the salvage agent would be coming to move the car to another location then he would have taken earlier steps to ensure he'd recovered everything he could from the car before then. I also understand that he'd taken the afternoon off work specifically in order to go and recover any items. So, I can fully understand his frustration that First Central didn't give him the right advice.

First Central then added to that frustration. On top of keeping him waiting on the phone in its response to his complaint it told him it would pay compensation of £400 but then only paid him £100. I'll briefly add that I've seen First Central's internal notes and can see that it did only intend to pay him £100 from the outset. So I'm satisfied it's error here was caused by a typo. And Mr P himself said he thought £400 was generous. But I think most of us would have a deep sense of disappointment at discovering that figure was a typo and in fact the correct figure was only intended to be £100.

That said, while I can understand his disappointment, I don't think that First Centra has to be wedded to its mistake any more than it would if, for example, it had incorrectly said it would pay him £10 rather than £100. In those circumstances I would expect it to correct its mistake and pay the right figure and the same principle applies here. Mistakes and typos do happen, and while those might be indicative of carelessness or insufficient diligence, it's not our role to fine or punish a business for any mistakes it makes. And generally I think it's fair to allow businesses the opportunity to correct their mistakes.

Mr P's told us that he had 'plans' for the £400 and as such he has suffered a detriment. He hasn't told us what those plans were and he hasn't provided us with any evidence that he made a commitment to spend the money on the back of First Central's mistake. So, while he might not be able to fulfil those plans his only tangible detriment is a loss of expectation.

Further, First Central recognised that it had caused Mr P some disappointment with its mistake and, initially at least, said it would pay him a further £25 compensation to address that disappointment. Although it also referred to paying an additional £50. First Central told us that it had only intended to pay Mr P a further £25 but made another error and paid him £125. That means that, in total it paid him compensation of £225. I think that's a reasonable sum in the circumstances to address the impact of First Central's errors.

Mr P's also told us that he's unsure what was in the boot of the car. As he doesn't know exactly what was in it he can't produce receipts for those items. So First Central hasn't compensated him for anything lost. I do understand that this might be frustrating for Mr P. But, I don't think it's unfair that First Central would want to have some evidence that Mr P had suffered a genuine loss rather than a hypothetical one.

Mr P said he was certain that he had a car care kit under the false floor in the boot which he didn't recover. He said he didn't have a receipt for that as he bought it with it. In those circumstances, as he didn't have a specific outlay for it he's not out of pocket. Also First Central has paid him for the market value of the car. So I don't think it needs to compensate him further for the lost car care kit which came with the car.

As I've said above it's clear that Mr P has suffered some frustration, inconvenience, disappointment and loss of expectation as First Central hasn't handled matters as well as it should have. But I'm satisfied that the compensation of £225 that First Central has paid to him is adequate to address the impact of its mistakes, as it's in line with our guidance and other awards we make in cases of similar seriousness.

My final decision

For the reasons set out above I'm not going to instruct First Central to take further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 10 October 2025.

Joe Scott
Ombudsman