

The complaint

Mr G complains that Sainsbury's Bank Plc mishandled his motor insurance.

What happened

Mr G had a car or multi-purpose vehicle that had first been registered in about 2009.

Sainsbury's Bank is an insurance intermediary or broker.

Mr G had nine or more years' no-claims discount ("NCD"). For the year from about 20 September 2023, Mr G insured the vehicle through Sainsbury's Bank. The cost for the year was going to be about £400.00. An insurance company (which I will call the "first insurer") was responsible for setting the premium and dealing with any claim.

Unfortunately, on about 11 April 2024, a third party accidentally damaged Mr G's vehicle. The first insurer said the vehicle was a total loss. Mr G received a settlement based on a pre-accident value. He thought that should've been about £2,900.00 but he received about £2,300.00.

By early July 2024, Mr G had got a replacement car that had first been registered in 2015. He put it on the policy. According to Mr G, he paid an additional premium of about £16.00.

In August 2024, Sainsbury's Bank sent Mr G an invitation to renew the insurance. It said that the cost for the year from September 2023 had been about £1,550.00 and that a renewal for the year from September 2024 would cost about £2,200.00.

The renewal invitation named another insurance company (which I will call the "second insurer"). The second insurer was responsible for setting the premium and dealing with any claim.

In about late August 2024, Mr G complained to Sainsbury's Bank that it had mis-stated the cost for the year from September 2023 and hugely increased the cost for the year from September 2024.

On about 13 September 2024, the first insurer closed the claim as not Mr G's fault and not affecting his NCD.

On about 18 September 2024, Sainsbury's Bank gave Mr G an updated quotation.

Mr G was concerned that the insurance was due to expire on about 20 September 2024 and he could no longer afford insurance.

By a final response dated 23 September 2024, Sainsbury's Bank included the following:

"I'm sorry to hear you were involved in an accident last year..."

As the broker for your policy, it is our role to ensure your details are passed to our underwriters accurately and once they have assessed them we pass on the most competitive quote to be considered. Whilst I realise you were disappointed with the quote offered, ,,,

your application has been assessed correctly and the most competitive quote offered, both at the time of renewal and again during your call on 18 September 2024...

You made a Mid-Term Adjustment (MTA) last year when changing your vehicle...

If the details we held when your renewal was produced were applied when your policy was set up, your premium for last year would have been £1,552.01."

Mr G complained further to Sainsbury's Bank that the accident had not been "last year", that the payout hadn't been enough, that the claim should've been closed before September 2024 and that Sainsbury's Bank hadn't provided a specific reason for the increased renewal quote.

By a further final response dated 14 October 2024, Sainsbury's Bank apologised for referring to the claim in the previous policy year as "last year". Sainsbury's Bank said it was not involved in pricing. Sainsbury's Bank said it wasn't responsible for the handling of claims. The letter concluded as follows:

"... we do not manage complaints regarding claims or your underwriter. [complaint handler] has therefore referred your complaint to [first insurer]"

On about 15 October 2024, Sainsbury's Bank sent an email addressed to the first insurer, referring Mr G's complaint about the payout.

Mr G asked us to investigate his complaint.

In mid-December 2024 the first insurer told us that it hadn't received Mr G's complaint.

By a final response dated late January or early February 2025, the first insurer agreed to increase the pre-accident value payment by £160.00. It added £100.00 for the delay in reviewing the settlement. The first insurer said it hadn't been responsible for the pricing of the renewal quote.

On 10 March 2025, the first insurer told us that Sainsbury's Bank had used an invalid email address to try to pass on Mr G's complaint on 15 October 2024.

In mid-April 2025, our investigator identified that the second insurer had been responsible for the renewal quote.

On about 9 May 2025, Sainsbury's Bank sent us a business file. It did not include the renewal invitation, or the email dated 15 October 2024.

Our investigator recommended (in mid-May 2025) that the complaint should be upheld in part. She didn't think that the premium increase was unfair or something Sainsbury's Bank was responsible for.

However, she thought that Sainsbury's Bank had acted unfairly by not telling Mr G his renewal price was underwritten by the second insurer and by not passing his details on to the first insurer. She thought this had delayed Mr G's complaints with us and with the first

insurer. The investigator recommended that Sainsbury's Bank should pay Mr G £150.00 for the distress and inconvenience caused.

In late May 2025, Sainsbury's Bank sent us further information including the renewal invitation and the email dated 15 October 2024.

The investigator still recommended (in late May 2025) that the complaint should be upheld in part. She thought that Sainsbury's Bank hadn't provided these documents to us with its business file, and this had caused delays during the investigation. The investigator still recommended that Sainsbury's Bank should pay Mr G £150.00 for the distress and inconvenience caused.

Sainsbury's Bank disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says, in summary, that:

- The renewal invitation named the second insurer.
- Under the delegated authority from its panel of underwriters, Sainsbury's Bank is to handle all complaints regarding pricing. This means it would be unable to refer a pricing complaint to an underwriter on behalf of Mr G.
- The final response addressed the complaint about the renewal quote.
- It passed points it couldn't answer over to the appropriate third parties within a suitable timeframe.
- It didn't tell Mr G he couldn't complain directly to the second insurer.

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.

The accident and the need to make a claim were, in my view, bound to cause Mr G distress and inconvenience.

An insurer may make an outlay on a policyholder's claim, for example for the pre-accident value of the vehicle. Where the insurer has made such an outlay, it's common practice for it to record that claim as an open claim or as a fault claim against its policyholder unless and until it recovers its outlay in full, typically from a liable third party's insurer. That may take months.

I accept that Sainsbury's Bank wasn't responsible for the first insurer's payment or for its progress in recovering its outlay.

Sainsbury's Bank hasn't provided any information to contradict Mr G's figure of about £16.00 for an additional premium on the change of vehicle. That additional premium would only have been for the period from the change in July to the renewal date in September 2024. So the change would've had a greater effect over a full year. Nevertheless, the MTA doesn't explain Sainsbury's Bank's figure of about £1,550.00 for the cost for the year from September 2023.

The first final response is capable of being read as meaning that the figure of about £1,550.00 also included the effect of having an open claim. Clearly, Mr G had neither made a claim nor changed his vehicle until mid-term. However, as Mr G had included a complaint about the figure of about £1,550.00, I consider that Sainsbury's Bank should've done more to explain that figure.

The main thrust of Mr G's complaint was that the quote of about £2,200.00 was unfairly high. Sainsbury's Bank responded to that complaint – but only in general terms and by saying that it wasn't responsible for that quote. I accept that Sainsbury's Bank wasn't responsible for the second insurer's quotation.

Sainsbury's Bank's final responses referred to "underwriters". However, they didn't name the second insurer or make clear that it was responsible for the quote of about £2,200.00. That was in contrast to naming the first insurer.

Indeed the second final response didn't make clear that there were two insurers and that Sainsburys Bank was only referring the complaint to the first insurer insofar as it was about claims-handling.

Further, Sainsburys Bank's email dated 15 October 2024 summarised the complaint as being about the payout. It omitted to refer Mr G's complaint that the first insurer should've closed the claim before September 2024.

Moreover, Sainsburys Bank used an email address that looks like it is for the claims team. And the first insurer told us on 10 March 2025 that it was an invalid email address for its complaints team.

Also, Sainsburys Bank sent us a business file that didn't initially include the renewal invitation or the email dated 15 October 2024.

To summarise, I consider that Sainsburys Bank didn't communicate fairly with Mr G, the first insurer or our investigator.

Putting things right

The impact of that on Mr G included that he couldn't see how the figure of about £1,550.00 could be correct. And he was worried that the figure of about £2,200.00 was also incorrect. The impact has also included delay to Mr G's complaint about claims-handling as well as to his complaint about the renewal quote.

Sainsbury's Bank has offered nothing to try to put this right, and it has not accepted the investigator's opinion.

All things considered, I find £150.00 is fair and reasonable and in line with our published guidelines for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Sainsbury's Bank Plc to pay Mr G £150.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 September 2025.

Christopher Gilbert

Ombudsman