DRN-5650866

The complaint

Miss W has complained about First Central Insurance Management Limited trading as 1st Central's communication and management of her claim under her motor policy following an accident. She is particularly aggrieved she had to pay her £500 excess. She also thought a second claim had been applied to her account which was then closed as it was an error.

What happened

Miss W was involved in an accident on 15 May 2024 with another driver. She reported the accident to First Central on 21 May. She told it CCTV evidence could be available. Then on 23 May Miss W confirmed she wanted to proceed with her claim for the repair of the damage to her car.

First Central then instructed its repair team to obtain an estimate for approval. This was completed by 29 May. However, the repair team chased First Central to know if Miss W wanted to get her car repaired on 19 July. First Central said it hadn't heard from Miss W, so it emailed her and chased her again on 29 July. Miss W said that as she had to pay her excess if her car was repaired, as the other driver's insurers hadn't admitted liability, she couldn't afford that at that time, so she couldn't proceed with the repairs, just then.

The repairs to Miss W's car eventually were completed in September, with Miss W paying her excess. As liability from the other driver's insurers was by then admitted, First Central refunded her excess.

On 4 June First Central first asked for the CCTV evidence. On 10 June, the other driver's insurers said they weren't accepting liability for the accident. First Central then chased the CCTV evidence on both 13 June and 27 June. But on 13 August the other driver's insurers admitted the other driver was responsible for causing the accident. Therefore, First Central decided it didn't need to get the CCTV evidence any longer or pay what the owner or controller of the CCTV wanted it to pay.

First Central also said no second claim was opened on Miss W's account. It said that there was a delay from Miss W in confirming she would get her car repaired after the estimate was completed, so a new task was raised to reassess the estimate which looked like a second claim. As the estimate hadn't changed given the delay, the repairs then continued, without the requirement for this second task.

Miss W complained to First Central about the delays in getting liability admitted and so having to pay her excess which she really couldn't afford. First Central didn't think it had done anything wrong. So, Miss W brought her complaint to us. The investigator ultimately didn't think First Central had done anything wrong either.

Miss W remained dissatisfied, so her complaint has been passed to me to decide.

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 not upholding this complaint. I do understand and appreciate Miss W will be very disappointed, so I'll now explain why.

Being involved in any accident is always upsetting and distressing. But it must be remembered that First Central had no part in causing any accident. Its duty is to assess liability, be prepared to deal with any claim its policyholder might make, and any other driver in the accident might make too.

Clearly, Miss W was of the view she wasn't responsible for causing this accident, the other driver was. And she told First Central that there was CCTV evidence to show this. Therefore, she was distressed that she had to pay her excess of £500 in order to have her car repaired as she said she couldn't afford this. So, she thought that if she wasn't responsible for causing the accident then why did she ever have to pay the excess at all. This meant her car repair was delayed too causing inconvenience and upset. She's of the view sorting things out should not have taken First Central so long to do.

Throughout First Central's file I can see it was proactive in everything it needed to be doing. It did request the CCTV footage in very good time. It can't get hold of the CCTV footage until the owner or controller of the CCTV then agrees to disclose it. That happened around the same time as the other driver's insurers decided to admit liability. So obviously First Central didn't need to waste costs in paying for it then as it wasn't necessary, given liability had been admitted. So, I don't find First Central delayed at all in getting the CCTV evidence.

First Central had sorted out and approved the repair estimate for the damage to Miss W's car by 29 May. Miss W reported the accident to First Central on 21 May. The accident happened on 15 May. So, her car repair could have started from 29 May. However, as Miss W said she couldn't afford to pay the excess, that meant her car repair couldn't go ahead at this time. So, any delay here wasn't the fault of First Central. It was ready to start the repairs to her car by 29 May. First Central then chased Miss W to get her car repaired in July too. So, I don't consider it caused Miss W any delay here.

It's clear to me that First Central was of the view Miss W was highly likely not to be liable for causing this accident but until the other driver's insurers admits this, it does mean the liability issue remains unresolved. So again here, First Central had to wait until the other driver's insurers accepted liability which they thankfully did in August 2024. So, any delay in this aspect, again wasn't First Central's fault.

When we buy any insurance, there is always an excess to pay in the event of any claim you might make. Motor insurance is no different. The excess is classed as an uninsured loss, which means that the payment of the excess always remains the duty of the policyholder. The only other entity who can refund that excess is the person who caused you to have to make a claim. Which in Miss W's situation was the other driver or his insurers. First Central has no responsibility or duty under the policy terms to waive any excess payment which needs to be paid if its policyholder decides to make a claim.
First Central said if it's certain liability is accepted which means it can recover the excess from the other driver's insurers, then as a gesture of goodwill only, it may decide to waive the excess payable. However, in Miss W's case she ended up paying the excess, as the repairing garage will always ask for that payment before releasing the car. But this was before First Central managed to tell the garage it could waive the payment of the excess for Miss W.

When Miss W chose her motor policy with First Central, she would have known that in the event of any claim she needed to pay this excess of £500. How much the excess can be is often dependent on how much the premium is. So, raising the excess amount payable will reduce the amount of premium due to be paid. So, I'm satisfied that Miss W would have been aware of what her excess would be, namely £500, when she took out this policy with First Central. It was Miss W's choice only, to choose to take out a policy with First Central with this level of excess.

Therefore, I consider the delay in getting Miss W's car repaired wasn't the fault of First Central as it was ready to do this from 29 May. I consider First Central made appropriate and timely efforts to get the CCTV to persuade the other driver's insurers this accident was caused by their insured and not Miss W. The other driver's insurers admitted liability in August. First Central cannot be responsible for any delay in the other driver's insurers in admitting such liability as it simply has no control over what they might decide or when they might make such a decision.

First Central has no duty under the policy terms to waive any payment by Miss W of her excess either. It remains First Central's decision to waive it as a gesture of goodwill only. It was willing to do so here once it had received confirmation that the other driver's insurers were accepting liability, but Miss W's car was repaired before it had the opportunity to tell the repairing garage this. On balance given the car repair was delayed from 29 May because Miss W couldn't afford to pay her excess, which was always her responsibility to pay regardless, I don't hold First Central at fault for not managing to tell the repairing garage in time that it now could waive her excess. The admission of liability and Miss W agreeing to let the car repair go ahead happened around the same time.

So consequently, I consider that First Central didn't do anything wrong here. When Mrs W's car was repaired, it then refunded it to her before it had payment of its costs paid by the other driver's insurers. I consider this is appropriate. It has no duty to pay any interest on this refund as this excess was always the responsibility for Miss W to pay regardless.

First Central has adequately explained that given Miss W was ready to have her car repaired in May when the estimate had been finalised, it then had to raise another task which looked like another claim was being made on her account. It wasn't, it was just another task to reassess the estimate to make sure the costs of the repair hadn't changed.

My final decision

So, for these reasons it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 23 September 2025.

Rona Doyle
Ombudsman