

The complaint

Mr W complains First Central Underwriting Limited (First Central) acted unfairly and unreasonably in its handling of a claim on his motor insurance policy.

First Central are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As First Central have accepted it is accountable for the actions of the intermediary, in my decision, any reference to First Central includes the actions of the intermediary.

What happened

In March 2022 Mr W had a fault collision with two vehicles. He reported the incident to First Central.

First Central declined to settle his claim or deal with the claim of the third parties involved in the incident, under his policy because Mr W reported he had been in the car on his own when the incident happened and because he was a provisional licence holder this was a breach of the terms and conditions of his policy.

In September 2022 Mr W agreed for First Central to deal with the other parties claim and for him to reimburse it with any costs paid to the other parties in the claim.

In July 2024 First Central told Mr W of the costs he was due to pay. Mr W said he had never agreed to pay these costs. He said he had his mother in the car at the time of the incident so First Central should cover the third-parties' costs.

Because Mr W was not happy with First Central, he brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said that Mr W did initially confirm he was the only person in the car. It wasn't until the requests for payment of the outstanding balance that he said there was someone else in the car. After reviewing the evidence, they said the steps taken by First Central seem fair and reasonable and they wouldn't ask it to do anything further.

As Mr W is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

Mr W only held a provisional licence at the time of the incident which means he was required to be supervised when driving at all times. When he reported the incident in March 2022 he said he was the only person in the car at the time of the incident. First Central told him it wouldn't cover the claim because he was a provisional driver and had been driving without

supervision of a qualified driver at the time of the incident and this was in breach of the terms and conditions of his motor insurance policy.

I looked at the terms and conditions of the policy and it says:

“10.1 The insurer will not cover any injury, loss or damage caused whilst your car is:

- *Being driven by a person who does not hold a valid driving licence or is not driving in line with the conditions of the licence or is disqualified from driving.”*

This confirms that the claim in this case would not be covered due to driving the car with a provisional licence and without supervision.

Approximately two weeks after the claim was made First Central again explained on the phone to Mr W its reasons for declining to proceed with the claim was due to him being the only person in his car, which was a breach of the terms and conditions of his policy. It also explained this meant it could ask him to contribute towards any claim it settled.

Claims were made for damage to two third-party vehicles. Mr W confirmed he was not making a claim for damage to his car.

In July 2022 First Central made Mr W aware of the costs in relation to the third-party vehicles as they stood at the time. And in September 2022 it wrote to him to confirm again that it was unable to deal with the claim from the other party involved in the incident, under his motor insurance policy. This letter also explained it could negotiate and agree a fair and equitable settlement with the third-party uninsured loss claim and he would then have to repay First Central. I saw a consent and indemnity form was provided for Mr W to sign if he wanted to progress with this. It was signed and returned by him.

In September 2023 Mr W got in touch with First Central and said he was surprised it would be recovering the third-party costs from him. At this point he said his mother was in the car with him at the time of the incident. First Central reviewed the call he made at the time of the incident which confirmed he said he didn't have anyone else in the car with him.

In July 2024 First Central confirmed again it would not cover the claim. At this time Mr W said when he reported the incident in 2022, he had said his mother was in the car at the time of the incident. However the claim call had already confirmed he said he was on his own in the car. I saw First Central also checked with the third-party insurers, and they confirmed they had recorded there was only one person in Mr W's car.

In August 2024 Mr W provided a witness statement from a neighbour which said they saw another person in the car.

After reviewing all the evidence First Central maintained its decision to repudiate the claim. It said the initial call from March 2022 had been reviewed and this in addition to the third-party insurers, confirmed there was only one person in Mr W's car. It also said Mr W had made no dispute about First Central's position when it explained the situation to him in 2022 and he had signed the consent and indemnity forms.

The evidence provided has persuaded me that First Central was clear, and told Mr W a number of times in 2022 the reasons it wouldn't cover any costs for this incident, and that he was responsible for any costs of the damage to the third-party vehicles.

Although I recognise Mr W said he was in shock when he contacted First Central after the incident, that he was the only person in the car at the time of the incident was discussed with him numerous times in 2022. I consider there were many opportunities available for him to

correct his account of the incident and mention he had incorrectly said he was on his own in the car, and provided the witness, much sooner than he did.

Although I understand Mr W will be disappointed, I think First Central have fairly declined to settle this claim by relying on the evidence provided by him in 2022 when he said he was the only person in the car, and in addition the evidence of the third-party insurers also recorded he was the only person in the car.

Therefore, I don't uphold Mr W's complaint and don't require First Central to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 August 2025.

Sally-Ann Harding
Ombudsman