

The complaint

Mrs S complains that Premier Insurance Company Limited (“Premier”) mishandled her claim on a motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a hybrid electric car, made by a premium-brand car-maker and first registered in early 2014.

Mrs S acquired the car in 2017.

According to its MOT history, the car passed a test on 24 December 2021 with a recorded milage of about 90,100.

For the year from late February 2022, Mrs S used a broker to get the car insured on a comprehensive policy with Premier.

Unfortunately, Mrs S reported to Premier that someone had stolen the car’s catalytic converter in mid-December 2022.

Some of the complaint is about acts, omissions and communications of claims-handlers and other on behalf of Premier. Insofar as I hold it responsible for them, I may refer to them as acts, omissions and communications of Premier.

According to its MOT history, the MOT certificate expired on 12 January 2023.

Premier arranged a repair.

According to its MOT history, the car passed a test on 14 February 2023 with a recorded milage of about 98,200.

For the year from late February 2023, Mrs S used the broker to “renew” the policy, but with an insurer other than Premier.

In about January 2024, Mrs S noticed that an engine management light (“EML”) had come on. She took the car to a main dealer franchised by the car-maker.

The car-maker provided a document bearing a date of 26 January 2024 and a mileage of about 105,900 and including the following:

“Investigate eml light on dash -Technician investigated and found that the EML light was on due to non genuine catalytic converter and oxygen sensor fitted, would require genuine [car-maker] catalytic converter and oxygen [sensor] fitted as first stage of repair”

Mrs S complained to Premier that its repairer had fitted replacement parts that were not OEM (original equipment manufacturer) parts.

According to its MOT history, the car passed a test on 3 February 2024 with a recorded mileage of about 106,100.

Premier said it would send an engineer to inspect the car, but it didn't do so.

By a final response dated 15 August 2024, Premier turned down the complaint.

Mrs S brought her complaint to us in early January 2025.

According to its MOT history, the car passed a test on 12 February 2025 with a recorded mileage of about 115,300.

Our investigator recommended (in late May 2025) that the complaint should be upheld. He thought that the part fitted into Mrs S's car was not fit for purpose. He recommended that Premier should:

“arrange for the catalytic converter and oxygen sensor to be replaced and issue Mrs S £100 compensation for the distress and inconvenience throughout the complaint process.”

Mrs S accepted the investigator's opinion.

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

- Its policy wording permits fitting a non-manufacturer part.
- There's no evidence the components/parts that were fitted were not 'fit for purpose'.
- An EML light could be faulty or need a re-set. The EML is not evidence that a component is faulty.
- The light is just indicating the provenance of the parts that have been fitted
- The vehicle passed an MOT test immediately after the repairs were completed. That was without any reference to the catalytic converter which means there was no issue with the emissions test.
- The vehicle passed its MOT a year later.
- The MOT passes indicate that the parts are doing their job.
- It suggested an engineer referral prior to the investigator's opinion.

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.

Premier's policy terms included the following:

*“SECTION 1 – COMPREHENSIVE COVER
A - LOSS OR DAMAGE
What is covered
Loss of or damage to Your Car
We will pay for loss of or damage to Your Car.*

We will also pay for loss of or damage to Your Car's spare parts and accessories as long as they are kept in or on Your Car or in Your own private garage and fall within the maximum amount We will pay.

...

Loss of or damage to Your Car

...

We may use warranted parts or recycled parts which are not supplied by the manufacturer of the vehicle but will be of a similar standard..."

From that, I accept that Premier didn't have to use OEM parts.

The car passed an MOT test on 14 February 2023. So I find it likely that Premier had completed the repair by that date.

If the EML went on simply because the car didn't recognise the replacement parts as OEM, then I would expect that to have happened straight away.

And I don't find it likely that Mrs S would've failed to notice that the EML was on or that she would've accepted that immediately after a repair. So I find it likely that the EML was not on immediately after the repair in February 2024. In any event, I wouldn't find it fair for Premier to do a repair that resulted in an EML coming on at the time of the repair.

Nearly a year went by before Mrs S noticed that the EML was on and took the car to the main dealer. The main dealer said that the EML was on "*due to non genuine catalytic converter and oxygen sensor fitted*". However the main dealer recommended a (further) replacement "*as first stage of repair*".

So I consider that there is enough evidence that the non-genuine catalytic converter and oxygen sensor had not been of a satisfactory quality (including durability) in February 2023 and developed a fault in about January 2024.

Mrs S complained to Premier about the catalytic converter. Nevertheless, the car passed an MOT test on 3 February 2024, with no note about the EML.

Premier agreed to do an inspection but didn't follow through on this. Also, after Mrs S's complaint, Premier didn't provide a final response within eight weeks as required by the Financial Conduct Authority's rules.

Premier's belated final response dated August 2024 included the following:

"...as an insurer, we can only stand by the use of genuine parts which have been approved by the manufacturer for the vehicle being repaired. For additional clarity, our engineers reviewed the estimate provided by the repairer and confirmed the parts ordered are manufacturer approved"

So Premier was saying that the parts had been "*genuine*" and "*approved by the manufacturer*" but wasn't saying that they were "OEM".

When Mrs S brought her complaint to us in January 2025, she expressed concern about "*the engine light issue*". I infer that the EML had been on since January 2024. Mrs S expressed concern that she wouldn't be able to sell the car and that she would be required to pay to fix the issue at the next service or MOT test.

The car passed an MOT test on 12 February 2025, with no note about the EML.

According to a recent DVLA vehicle check, the most recent V5 registration document is dated November 2020. So I find that Mrs S hasn't sold the car.

Putting things right

I've thought about what it's fair and reasonable to direct Premier to do to try to put things right at this late stage.

I've thought about directing Premier to do an inspection of the car. However, Premier spurned the opportunity to do so between late January and mid-August 2025. And it hasn't offered any engineering evidence to rebut the main dealer's recommendation that the car *"would require genuine [car-maker] catalytic converter and oxygen [sensor] fitted as first stage of repair"*.

So I find it fair and reasonable to direct Premier (provided that Mrs S accepts this decision and makes the car available within two months after such acceptance) to replace the catalytic converter and oxygen sensor with OEM parts.

I don't doubt that - by mishandling the repair in February 2023 and by mishandling its response in 2024 - Premier caused Mrs S distress and inconvenience. That included driving around with the EML on. It also included worry about MOT tests and about the saleability of her car.

I've thought about directing Premier to pay Mrs S more than £100.00 in line with our published guidelines for distress and inconvenience. However, as she has accepted the investigator's recommendation of £100.00, I find that fair and reasonable.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I direct Premier Insurance Company Limited to:

1. (provided that Mrs S accepts this decision and makes the car available within two months after such acceptance) replace the catalytic converter and oxygen sensor with OEM parts; and
2. pay Mrs S £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 4 September 2025.

Christopher Gilbert

Ombudsman