

The complaint

Mr H and his partner Miss B complain that First Central Insurance Management Limited (“First Central”) mishandled a motor insurance policy.

What happened

The subject matter of the insurance and the complaint is a car, first registered in 2019.

In August 2022, Miss B acquired the car. For the year from late August 2022, Miss B had the car insured on a policy administered by First Central.

The policy covered her as policyholder. The policy also covered, as named drivers, Mr H and Miss B’s father Mr B. The cost for the year was about £650.00.

The policy schedule said that Miss B had five years’ no-claims discount (“NCD”). Any claim for damage (except to a windscreen) was subject to an excess of £1,000.00.

Mr B had a vehicle and an insurance policy with a different insurer. Mr B’s policy also covered Mr H as a named driver.

On 3 April 2023, Mr H reported to First Central that he’d been driving Miss B’s car when he had a “bump” with Mr B’s vehicle. Mr H did not wish to make a claim on Miss B’s policy.

In about mid-April 2023, First Central recorded a fault claim against Mr H.

Mr H says that, a few weeks later, Mr B renewed his policy and didn’t disclose the incident involving Mr H, so when Mr B’s insurer found the record of the claim, it asked Mr B to pay an additional premium of about £200.00.

On about 5 June 2023, Mr H complained to First Central (“the first complaint”). That complaint was that, during the call on 3 April 2023, it had given incorrect information that the notification would not be logged with any third party and that it had later incorrectly recorded a fault claim.

On 28 July 2023, Mr H brought his complaint to us. His complaint form asked for the following:

“I would like accountability and an apology from 1st central. I would like financial compensation for the money I had to pay out to the insurance, and the time taken away off my work to make the complaint. The main request I would like from this complaint, is for the claim to be rescinded and all record of the claim taken off any database (even with 3rd party access)”

We did not contact First Central in July 2023.

By a final response dated 1 August 2023, First Central accepted the first complaint and said it was sending Mr H a cheque for £200.00 compensation. First Central also asked Mr H for a

letter from Mr B's insurer saying that he wasn't making a claim. First Central said that it would then record the incident as "notification only" and reinstate the NCD.

On 2 August 2023, First Central told Mr H that it had changed its record of the incident in April 2023 to "notification only".

We asked Mr H for certain documents, but did not receive a reply.

Miss B and First Central renewed her policy for the year from late August 2023. The policy schedule said that she had three years' NCD. The cost for the year was about £780.00.

Miss B and First Central renewed her policy for the year from late August 2024. The policy schedule said that she had four years' NCD. The cost for the year was about £1,120.00.

On about 30 September 2024, Mr H contacted First Central about how it had recorded the April 2023 incident.

By an email dated about 14 October 2024, Mr H complained to First Central ("the second complaint" or "this complaint"). He included the following:

"I am writing to submit a second formal complaint concerning the same issue I raised last year... I remain perplexed by the following:

- 1. Your records continue to classify this incident as a claim, marked at fault, rather than as a notification only.*
- 2. The no-claims status of the policyholder is still adversely affected, despite the absence of any claim.*
- 3. The national database inaccurately reflects this incident as a claim, marked at fault, contrary to your assertion that it was recorded as notification only."*

On 7 November 2024, Mr H contacted us for the first time since late July 2023. His complaint form (also signed by Miss B) asked for the following:

"I would like the data logging correctly on their database and the national database with the evidence supplied to myself, I would like financial compensation for this whole inconvenience to myself and my partner who has had to suffered higher premiums, I would like them to cancel my insurance without a penalty due to their incompetence to respond to me in time and I would like the policyholder's no claims to be restored as there was no claim in the first place.

Most of all, I would like 1st Central insurance to be held to account for providing financial services, yet not being competent in the basics on how to log a claim, how to handle data and the dishonesty. I would like them to acknowledgment my suffering for the last 16 months of constantly being on the phone, having the phone cut off on me, not being able to reach the correct department and in addition preventing me from cancelling the policy."

At the request of Mr H on behalf of Miss B, First Central agreed to cancel the policy from 8 November 2024.

By a final response dated 10 December 2024, First Central said that the incident was correctly recorded as "notification only". First Central said it would change its quote for

cancellation from a charge of about £177.00 to a refund of about £11.00. First Central said it was sending further compensation of £100.00.

Mr H and Miss B asked us to investigate.

our investigator's opinion

Our investigator didn't recommend that this complaint should be upheld. He thought that First Central had adequately rectified their mistakes.

Mr H and Miss B disagreed with the investigator's opinion. They asked for an ombudsman to review this complaint.

After considering all the evidence, I issued a provisional decision on this complaint to Mr H and Miss B and to First Central on 20 June 2025. I summarise my findings:

I was minded that, in line with our published guidelines, £100.00 wasn't enough to be fair and reasonable.

Subject to any further information either from Mr H or Miss B or from First Central, my provisional decision was to uphold this complaint in part. I intended to direct First Central Insurance Management Limited to pay Mr H and Miss B (jointly) in addition to its previous payments, a further £150.00 for distress and inconvenience.

Mr H and Miss B haven't responded to the provisional decision.

First Central has accepted the provisional decision.

So I see no reason to change my view.

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 Financial Conduct Authority's dispute resolution rules are binding on the Financial Ombudsman Service. One of those rules is that, before we can investigate a complaint, the consumer must first have made that complaint to the regulated firm and waited for up to eight weeks for a final response.

It sometimes happens that a consumer makes a complaint to the firm, receives a final response and brings the complaint to us, with the addition of further points of complaint. The rules allow us to investigate the initial complaint. In my view, the rules do not allow us to include with the initial complaint the additional points, even if they arise out of events after the final response.

Mr H has said that he regards the first complaint as closed. So I won't say any more about it, save that it is the background against which First Central's further mistakes caused an aggravated impact.

I don't condone such further mistakes, which included not communicating properly with the national database and with Mr H or Miss B.

Miss B's premium increased by about £130.00 from August 2023. I find it likely that some of that was the result of general price inflation.

Miss B's premium increased further by about £340.00 from August 2024. Again, I find it likely that some of that was the result of general price inflation.

Mr H bore the brunt of the inconvenience from late September 2024, as he made phone calls to try to resolve the related issues of recording the incident as "notification only" and the NCD. I accept that, until First Central had put right those issues, Miss B and Mr H had been unable confidently to give accurate information to other insurers on which to base alternative quotes.

In the usual course of events, I find it likely that the frustration First Central caused to Mr H also had an impact on Miss B.

However I'm satisfied that by November 2024, First Central had put right the "notification only" and the NCD.

I haven't seen enough evidence that Mr H or Miss B complained to First Central that, having reinstated the NCD, it should reduce the premium for the year from August 2023 or the period from August 2024. So I don't consider that the rules allowed us to investigate any such complaint.

First Central was intending to charge £50.00 cancellation fee and about £200.00 for about 69 days on cover from late August 2024. From what Mr H and First Central have each said, it later withdrew those charges.

From its records, I'm satisfied that on 12 December 2024, First Central sent the promised £100.00.

I bear in mind that First Central had previously paid £200.00 for the distress and inconvenience caused between early June and early August 2023.

Putting things right

I've thought about the level and duration of the further distress and inconvenience that First Central caused to Mr H and Miss B after early August 2023 and before mid-December 2024. I accept that this included many difficult phone calls totalling several hours.

I consider that, in line with our published guidelines, £100.00 wasn't enough to be fair and reasonable.

I conclude that it is fair and reasonable to direct First Central to pay Mr H and Miss B (jointly) a further £150.00 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 First Central Insurance Management Limited to pay Mr H and Miss B (jointly) in addition to its previous payments, a further £150.00 for distress and inconvenience.

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

Christopher Gilbert

Ombudsman