

The complaint

Mr H complains First Central Underwriting Limited (First Central) unfairly increased the cost of his motor insurance policy and collected the additional amount from his bank account without his consent.

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

Mr H took out a policy with First Central who asked for evidence of his claims history. Mr H provided evidence but First Central said because it didn't fully cover the past three years it wasn't acceptable. Based on this it recalculated his policy premiums, which meant an increase and it collected the additional amount from the bank details it held for him.

Mr H said the evidence he sent to First Central provided what it had requested and it had refused to accept it causing him distress and inconvenience and has cost him time and money.

First Central apologised that there had been a delay in it responding to an email Mr H sent in December 2024 and paid him £50 compensation.

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

Our investigator upheld the complaint. They looked into the case and were satisfied First Central didn't treat Mr H unfairly, because it was seeking to correct and validate incorrect information provided by him during the insurance quote. However they thought First Central could have communicated much more clearly as to what documentation it required Mr H to supply and this would have avoided much of the frustration caused to him. They said it should pay him a further £100 for the unclear communication.

As Mr H 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 H explained when he went through the process of obtaining online quotes for motor insurance cover he incorrectly estimated dates for some required information. This included the date he passed his driving test and a claim in 2023.

Policy premiums are calculated using the information given by the consumer, so it is very important that accurate details are provided. If details change, the cost of premiums may

also change. First Central offered Mr H a motor insurance policy quote based on the information he provided, but when validating this information it found a number of differences.

Mr H explained the claim he had reported to be in April 2023 was actually the claim that First Central had found from September 2023 during its validation process. He said there was only one claim in 2023 and explained he'd used April 2023 as a rough estimate when obtaining the quotes because he couldn't remember the date the accident occurred. First Central asked him to provide evidence there was no claim in April 2023. Plus information about his residency, address and date he passed his driving test.

I saw Mr H provided First Central with a document from his previous insurer that he thought was what was required to show there was no claim in April 2023. However it didn't cover the date of April 2023, so it wasn't accepted by First Central.

First Central confirmed to Mr H an additional cost of £437.02 would be charged and gave the deadline for providing the information required as 18 October 2024. He was also given the option to cancel his policy. Although Mr H said he was unaware an additional premium was going to be charged, I saw evidence it explained this to him on the phone and also gave him the cost he would be charged if he were to cancel his policy.

Because the required evidence wasn't received it collected the £437.02 from his bank account in late October 2024 as it told him it would do.

Mr H contacted First Central by phone when he saw it had taken further funds from his account. Whilst he was on hold the advisor he spoke to tried to obtain the no claims bonus document that it required from his previous insurer. This was not possible due to data protection regulations. I saw the call cut out and Mr H made a number of further calls to First Central on the same day to try and sort things out.

In December 2024 Mr H obtained a copy of his no claims bonus document from his previous insurer which was the evidence First Central required. I saw evidence of Mr H sending this by email to First Central, but he had a delivery failure notification and First Central said it didn't receive anything.

In January 2025 First Central refunded Mr H the £50 administration fee that was part of the amount charged to him in October 2024. It also apologised for its delay in responding to him in December 2024 and paid him £50 compensation.

After Mr H brought his claim to our service, our investigator contacted his previous insurer and obtained his no claims bonus document which was then sent to First Central. It changed the details on his policy to just one claim in September 2023 and it refunded him approximately £228. The remainder of the additional charge was for the other changes.

After considering all the evidence I think First Central's request for evidence was reasonable, but I don't think it was clear about why it didn't accept the first evidence provided. And I don't think it clearly explained exactly what Mr H needed to provide. I also saw it told him towards the end of September 2024 that it had received his proof of claim history but in October 2024 it said it was still needed, which was confusing.

Therefore I uphold Mr H's complaint.

Putting things right

I require First Central to pay Mr H a further £100 in compensation in addition to the £50 paid in January 2025. This is due to its lack of clarity regarding exactly what evidence it needed Mr H to provide and the conflicting messages about what it had received. If it had been clearer Mr H would likely have been able to provide the no claims bonus document much sooner, and this would've avoided a lot of the stress and inconvenience caused to him.

My final decision

For the reasons I have given I uphold this complaint.

I require First Central Underwriting Limited to pay Mr H £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 26 September 2025.

Sally-Ann Harding
Ombudsman