

The complaint

Mr A complains First Central Underwriting Limited (First Central) unfairly declined to settle his 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

Mr A was involved in a collision with a third-party car in late 2022. A claim was made on his motor insurance policy with First Central by a member of Mr A's family in which it was reported the incident happened after he had finished work. Later Mr A explained he wasn't commuting but had been home after work and gone out again with his family, after which the incident occurred.

First Central declined to settle the claim because his policy didn't cover for commuting, so there was no cover in place for the journey he was making.

Mr A said two years after the incident he was contacted by the third-party insurer requesting payment of the cost of repairs to the third-party car and that legal action would be taken if it wasn't paid. He contacted First Central for help but it said he would have to handle the third-party claim and make any payment himself.

Because Mr A 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 First Central had acted fairly and reasonably when it relied on the information provided to it when the claim was initially made to decline to settle the claim. And they said it had been clear about what Mr A needed to do if he wanted it to handle the third-party claim on his behalf, but he hadn't made any response, and because of this it wouldn't ask it to do anything further.

As Mr A 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.

The incident occurred on 13 October 2022 and I saw three days after, on 17 October 2022 a claim was made to First Central by a family member of Mr A and they presented themselves as Mr A. When asked, they confirmed the car was being used for commuting after work.

On 17 October 2022 First Central sent a letter to Mr A to inform him of its decision to decline to settle the claim because his policy only covered him to drive for social domestic and

pleasure purposes. I looked at the terms of Mr A's policy and it says the level of cover is "*Comprehensive Social Domestic & Pleasure Use only, excluding Commuting Use*". It is clear the car should not be driven for commuting use so based on the information provided at this point I agree First Central fairly declined to settle the claim.

I saw on 18 October 2022 Mr A contacted First Central himself and explained a family member had made the claim on his behalf without his permission and had given incorrect details. He gave a different version of events and said he had finished work at 2pm and gone home, picked up his children from school and then had left to buy food when the incident happened at approximately 4.45pm.

I saw In November 2022 a First Central team leader considered evidence provided by Mr A's employer which confirmed he was working on the day of the incident and his shift finished at 2pm. The recording of the claim call made on 17 October 2022 was also reviewed. First Central said after considering all the evidence provided it didn't think there was strong enough reason to change its position. It said the evidence confirmed Mr A was in work on the day of the incident and this in conjunction with the first claim call which confirmed the car was being used for commuting, led it to maintain its decision to not deal with the claim.

Although understand Mr A feels it is unfair for First Central to rely on the information provided by the family member in the initial claim call I think it was reasonable for it to do so. Insurers are allowed to rely on the initial account of an incident when deciding if cover applies – especially if a later version changes key details after the claim has been turned down.

I saw Mr A contacted First Central again in April 2023 to ask again why his claim hadn't been covered and its decision was reiterated to him again. In January 2024 First Central confirmed it had closed the claim, of which Mr A continued to disagree with.

In November 2024 Mr A told First Central he had been contacted by the third-party insurer who was asking for him to pay a substantial amount for the third-party repairs. He said First Central had assured it would handle the matter. First Central confirmed he would have to deal with the third-party claim himself as his claim had been declined.

I saw in the claim declined correspondence sent from First Central to Mr A on 17 October 2022, it also informed him it was unable to deal with the claim from the other party involved in the accident under the terms of his policy. It provided information that its experts could deal with the third-party claim and explained he would have to reimburse it of any costs paid to third-parties. It was clear that if he wanted to give permission for it to act on his behalf he had to return the provided consent form to it. This wasn't returned so no further action was taken with the third-party.

Because I am persuaded the claim was fairly declined and because Mr A didn't give First Central authority to deal with the third-party on his behalf, I am unable to now to fairly tell it to act on Mr A's behalf.

Therefore, although I understand Mr A will be very disappointed and I recognise he will need to deal with the third-party claim himself, I don't uphold his complaint and I don't require it to do anything further.

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 A to accept or

reject my decision before 3 September 2025.

Sally-Ann Harding
Ombudsman