

## **The complaint**

Mr F complains about Saga Services Limited (“Saga”) and their referral of his claim to an accident management company.

## **What happened**

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, in early 2024 Mr F was involved in a non-fault road traffic accident. So, he contacted Saga, who arranged his motor insurance policy, to make a claim.

Saga referred Mr F’s claim to an accident management company, who I’ll refer to as “E”, who managed Mr F’s claim on a credit hire and repair basis. But ultimately, Mr F was left unhappy with the quality of the repairs E and their agents completed. And when Mr F discovered the repairs had been completed under an unregulated agreement separate to his own insurance policy, he raised a complaint with Saga about this.

Saga initially misunderstood Mr F’s complaint, setting out why they had referred Mr F to the underwriter of his policy, who I’ll refer to as “L”, when he raised claim related concerns. As Mr F didn’t receive a resolution to his concerns, he referred his complaint to us.

Our investigator looked into the complaint and upheld it. Both parties have had sight of this outcome, so I won’t be recounting it in detail. But to summarise, our investigator listened to the call where Saga referred Mr F to E, and they weren’t satisfied all the risks of this referral had been made clear to Mr F. So, to compensate Mr F for this, and his loss of opportunity to consider these risks, they recommended Saga pay Mr F a £100 compensatory payment.

Neither party agreed with this recommendation. Saga felt they had made it reasonably clear on the call that the claim would be handled on a credit hire and repair basis. And they explained Mr F would have needed to sign an agreement with E, agreeing to terms and conditions, that set out the risks of this before proceeding. So, they didn’t agree the complaint should be upheld.

While Mr F didn’t feel the £100 was enough to recognise the impact he had been caused. In summary, Mr F explained the poor repair has resulted in him losing out on a pre-agreed sale of his car. And he set out the inconvenience and anxiety he had been caused needing to engage with multiple parties to dispute the repairs, as well as assisting E with recovering the costs they incurred during the claim process.

Our investigator considered all the above, but their opinion remained unchanged. As both parties continued to disagree, the complaint has been passed to me for a decision.

## **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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I want to set out exactly what I've been able to consider, and how. I note Mr F's fundamental concerns relate to the quality of the repairs undertaken to his car, arranged by E and completed by E's agents. And as Saga referred Mr F to E, I can understand why he ultimately holds Saga responsible for the situation he finds himself in.

But crucially, E are an entirely separate regulated business. And they were acting on Mr F's behalf under a separate credit repair and hire agreement that has no link or relationship with the motor insurance policy he held, arranged by Saga and underwritten by L.

Because of this, Saga hold no responsibility for the actions of E, or the repairs E arranged and oversaw. And so, I'm unable to consider the impact Mr F has been caused by the quality of the repairs within this decision. This also then includes how these repairs resulted in a loss of a sale for Mr F.

Instead, my decision focuses solely on the actions of Saga when they referred Mr F to E. Specifically, I've considered their actions against our services approach, which requires a business such as Saga to provide a customer with information that's fair, clear and not misleading so they are able to make an informed decision about how they wish to proceed. And crucially, we expect this include both the pros and cons of either utilising their own policy or instead making use of the credit hire and repair process.

So, in this situation, I would expect Saga to ensure Mr F was made reasonably aware that by choosing the credit hire and repair process, he would be stepping outside of a regulated contract of insurance *and* how this would potentially impact him and the options available to him should something go wrong.

In this situation, having listened to the referral call between Mr F and Saga, I don't dispute Saga made an attempt to explain the difference between claiming on his own policy, or accepting a referral to E. I'm satisfied the information Saga provided did make it clear that a referral to E would be separate to claiming on his own policy. And I'm persuaded Mr F wished for this to be the case, explaining he didn't want his policy to be affected as he saw the claim as non-fault.

But crucially, I'm not satisfied the information Saga provided made it clear to Mr F all the risks of choosing this option. While they did explain the pro's, which included no excess being payable and a hire car of a similar size to Mr F's own car, at no point during the call am I persuaded that Mr F was made reasonably clear of the risks of this option, in particular the loss of recourse through our service should something go wrong during the claim itself.

And I'm satisfied this error was heightened by the fact that during the call, when discussing potential repairs, Mr F made it reasonably clear his desire for a repairer to be both suitable and reputable as he wanted to ensure the repairs were completed to the standard he expected.

Considering it was clear Mr F had a vested interest in the repairs and the quality of them, I'm

persuaded that Saga could have, and should have, done more to explain to Mr F that by choosing the referral of his claim to E, he'd be losing the opportunity to raise concerns about any of the claim process and importantly the repairs, to our service. So, I'm satisfied Saga's referral to E was a poor one.

I understand Saga will likely disagree with this and I want to reassure them I've considered all the arguments and information they have put forward. But while it may be that Mr F was presented with a credit hire and repair agreement by E, which likely would have included terms and conditions setting out the risks of entering into that agreement, this doesn't supersede, or remove, the requirement for Saga to ensure they themselves are providing the appropriate level of information, and the right time, to allow Mr F to make an informed decision.

So, as I'm satisfied Saga have acted unfairly, I've then turned to what Saga should do to put things right.

### **Putting things right**

When deciding what Saga should reasonably do to put things right, any award or direction I make is intended to place Mr F back in the position he would have been in, had Saga acted fairly in the first place.

In this situation, had Saga acted fairly, they would have outlined all the risks posed to Mr F should he agree to his claim being referred to E on a credit hire and repair basis. And this would have allowed Mr F to consider all the appropriate information to reach an informed decision.

In this situation, Mr F was prevented from having this opportunity. And so, when he then discovered he couldn't complain about E's actions and the quality of the repairs they oversaw to our service, I can understand the frustration and inconvenience he'd feel. So, I'm satisfied he should be compensated for this.

But I'm satisfied the compensation should also take into consideration my inability to know for certain whether Mr F would have changed his decision and utilised his own policy for the claim. I say this because I'm reasonably satisfied one of Mr F's main priorities was to ensure his own policy wasn't impacted.

The compensation should also fairly consider that, while Mr F has expressed his unhappiness with needing to engage with E to assist them in having to recover their costs, he was made aware by Saga of this potential eventuality in the referral call. And he decided to continue with the referral with this information being presented to him fairly and clearly.

Our investigator recommended Saga pay Mr F £100 to recognise his loss of opportunity to consider all the relevant information, including all the potential risks, before deciding to agree for his claim to be referred to E. Having considered this recommendation, I'm satisfied it's a fair one that falls in line with our services approach and what I would have directed, had it not already been put forward.

I'm satisfied it fairly compensates Mr F for the impact attributable to Saga's failure, while also fairly reflecting that much of Mr F's continued unhappiness relates to the actions of E, which ultimately Saga can't be held responsible for. So, this is a payment I'm now directing Saga to make.

**My final decision**

For the reasons outlined above, I uphold Mr F's complaint, and I direct Saga Services Limited to take the following action:

- Pay Mr F £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 24 November 2025.

Josh Haskey  
**Ombudsman**