

The complaint

Mr T complains that when he made a claim on his motor insurance policy, First Central Underwriting Limited and its agents provided poor service, damaged his car and caused significant delays. References to First Central in this decision may include its agents.

Background

Mr T told First Central his car's roof had sustained storm damage on 21 October 2023 but was driveable. First Central's repair network arranged for the car to be booked in with a garage in November 2023. The car went into the garage in February 2024 and the repairs were completed on 21 March 2024. But Mr T found new damage to the car when he collected it, so he made a formal complaint.

An Independent Assessor was appointed, and his report was issued in April 2024. It confirmed Mr T's report of damage to the car's dashboard, scratches to the external paintwork, no power to the interior light, water ingress near the boot from the roof due to the poor fitting of seals, a failed battery and damage to the gearstick. On 12 August 2024, in its late reply to Mr T's March 2024 complaint, First Central said it had paid him for the battery and that a new garage had been chosen to carry out the extra repair work. It also said due to the wait time for parts from abroad, it would be several months before the repairs were done.

Mr T had raised a second complaint on 23 April 2024, this time about the poor service he'd had from a complaints handler. He got no reply, but later, First Central said that was because it was withdrawn, due to no further contact with Mr T.

Four months after being told parts had been ordered (on 12 November 2024) Mr T queried progress and said he wanted to make a further complaint. He was advised that he had two complaints logged already, and a third complaint wasn't logged at that point.

Mr T queried the situation again in January 2025 and a complaint was logged. Mr T was told by the garage in February 2025 that the awaited part was due imminently. First Central said the response to his third complaint was issued on 21 March 2024, when Mr T was advised that there was no record of an advisor telling him that a complaint would be logged in November 2024. But it accepted that he'd been told the original complaints handler would call him in November 2024, and it apologised for the fact that it didn't happen.

First Central said later that the garage had tried to book Mr T's car in once the part arrived, but that Mr T had declined the offer. It also said that the repair network had contacted him to query his lack of response to its correspondence, but Mr T had said he was 'fed up' with dealing with the situation. And it said it had offered to treat the car as a total loss, but that Mr T hadn't replied to the offer.

One of our Investigators reviewed Mr T's complaint. He noted the delays and the poor service from First Central and proposed that it should pay Mr T £700 compensation for the distress and inconvenience he'd faced over many months. The Investigator also proposed that First Central should ask Mr T if he wanted the car to be repaired or for it to be written off, with a total loss payment based on its market value on 21 March 2024.

In reply to the Investigator's view, in May 2025 First Central said it didn't think Mr T had been significantly inconvenienced, as he was able to drive his car throughout. It said it had set expectations for the delay with parts coming from abroad. It also pointed out that Mr T had been given the option of the car being written off. It thought £300 - £400 in compensation was sufficient. But Mr T said he'd been driving a car that was dangerous (largely due to water ingress potentially damaging the electrics, plus no internal light) since March 2024. He thought £700 compensation was the minimum acceptable sum. And he said if repairs were to be done, he'd need a copy of the Independent Assessor's report, to check that all the necessary work he'd highlighted was carried out.

First Central made further comments. It said it agreed that the communication with Mr T could have been better. It also agreed that it should offer to repair the car *or* to provide a cash in lieu of repair payment to Mr T (as an alternative to writing it off). And it asked for a review of the complaint by an ombudsman.

Subsequently, in August 2025, whilst this complaint was awaiting allocation to an ombudsman, Mr T told us his car had been in an accident in July 2025 and was written off. He said he was discussing the valuation with First Central, and that if he chose to retain the car, he'd need to repair the damage done by the first garage in March 2024.

I then reviewed the complaint and issued a provisional decision as follows:

Compensation for distress and inconvenience

Although Mr T was able to drive his car after the new damage was caused in March 2024, he says he limited the amount he drove it as he was worried about the consequences of water ingress damaging the electrics. I think that was a reasonable concern, as was the lack of light in the car's interior, especially at night and in the winter.

I don't think Mr T could have anticipated the very long delay that would ensue after that point. It looks as though the second garage ordered the parts in June 2024. Mr T says it told him the wait for parts would be three to four months. It isn't clear whether the parts were chased, in order to try to speed up the process, or at least to give Mr T a realistic estimate on the repairs. Mr T queried progress during the summer and got no response, but he was told in August 2024 that it would take a few months more for the parts to arrive. Mr T queried the issue again in November 2024, but the parts didn't arrive until February 2025.

I think First Central should have monitored the situation better and that communication between it and its agents should have been better. In my opinion, it should have looked at the option of writing the car off far earlier than it did, when it became obvious that Mr T was going to be left with a car that was far below an acceptable standard for so many months.

During this time, I think Mr T was inconvenienced by having to chase for updates. He was disappointed when promised calls back didn't happen, and he was left frustrated and confused by the claims process as well by as the complaints process. He couldn't understand why the claim was taking so long to resolve. I think his frustration was increased by the poor communication he faced, and he was worried about the car's safety from March 2024. I can see why he felt his concerns were ignored by First Central and why he became so disillusioned that later on he didn't respond to some contact from it.

Taking everything into account, I'm minded to conclude that £700 compensation is a fair sum in compensation. I think Mr T faced significant distress and inconvenience, which lasted over many months, so in my opinion that sum is in line with our guidance on the issue.

Resolution of the damage to the car

My role is to review the findings of our Investigator in the light of the details Mr T brought to us in February 2025, the details from First Central, and the comments made by the parties on the Investigator's resolution proposals.

First Central agrees that it's responsible for putting matters right, which means putting Mr T back in the position he would have been in had the first garage not damaged the car. Mr T would have had a fully repaired car from March 2024, with none of the distress and inconvenience referred to above. So I think it was appropriate for the Investigator to propose that Mr T should be awarded compensation - plus the choice of having the car treated as a total loss (from the date of the garage's damage) or of having it repaired by First Central / being given a sum in lieu of repairs, in order to arrange them himself.

Given that the car has been written off in a subsequent accident, the total loss option based on the events of March 2024 isn't now viable. Neither is the option of First Central's garage carrying out the repairs it was finally in a position to do in March 2025. What's left is the option of First Central paying Mr T a sum for cash in lieu of those repairs (based on the Independent Assessor's findings of the extent of the damage). Then, if Mr T decides to retain the car, he'll have the money needed to pay for the repair of the first garage's damage.

In summary

I'm minded to conclude that it would be fair and reasonable for First Central to pay Mr T £700 compensation, plus an appropriate sum in lieu of the repairs confirmed as necessary by the Independent Assessor in April 2024. As this decision is provisional, I'll take into account any further points made by the parties before issuing a final decision.

First Central didn't comment on my provisional findings. Mr T said he had nothing to add, but he submitted a repair estimate.

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.

As neither party made any comment on my provisional findings, there's no reason to depart from them. So, based on the reasons set out above, my final decision is that I uphold this complaint, along with the remedies set out above.

My final decision

My final decision is that I uphold this complaint. I require First Central Underwriting Limited to pay Mr T £700 compensation for distress and inconvenience, plus a sum in lieu of repairs based on the findings of the Independent Assessor in April 2024.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 27 October 2025.

Susan Ewins
Ombudsman