

The complaint

Mr R complains about BISL Limited trading as Budget Insurance Services (“BISL”) and the service they provided after he contacted them to make a claim on his motor insurance policy

What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list these chronologically in detail. But to summarise, BISL arranged and administered Mr R’s motor insurance policy, that was underwritten by an insurer who I’ll refer to as “M”, when he was involved in a road traffic collision. So, he contacted BISL to make a claim.

BISL outsourced the handling of the first notification of loss (“FNOL”) call to another company, who I’ll refer to as “C”. As C were working as an agent of BISL, BISL ultimately remain responsible for C’s actions and so, I will refer to any actions C took during the claim as though BISL took them themselves, for ease of reference, where appropriate.

On the FNOL call, BISL determined Mr R’s claim to be “non fault”. So, they referred Mr R to an accident management company, who I’ll refer to as “E”, to manage his claim on a credit repair basis. But due to a dispute between Mr R and E’s valuation of his car that was deemed a total loss, his claim was passed over to M as his underwriter to handle. And this required Mr R paying an excess, which he was told by BISL wouldn’t be payable. So, he raised a complaint.

In summary, Mr R was unhappy with the information BISL provided to him on the initial claims call, including being told an excess wouldn’t be payable which turned out to not be the case. He was also unhappy at being passed to different departments and the inconvenience this created. So, he wanted to be compensated for the above.

BISL responded to Mr R’s complaint and upheld it. In summary, they accepted they had failed to explain the claim and referral process appropriately. And, that Mr R had been transferred to the wrong departments incorrectly. So, they paid Mr R £350 to recognise the impact this had caused. But Mr R remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn’t uphold it. Both parties have had sight of this outcome, so I won’t be recounting it in detail. But to summarise, they were satisfied BISL’s referral to E had been a poor one. And that the service and advice provided had failed to meet the standard our service would expect. But they set out why they thought the £350 already paid by BISL fairly compensated Mr R for the impact this caused. So, they didn’t direct BISL to do anything more.

Mr R didn’t agree, providing extensive comments setting out why. This included, and is not limited to, Mr R’s assertion that BISL had failed to take account of his vulnerabilities relating to his neurodiversity. Mr R maintained it was unfair for him to have to pay an excess after BISL stated one wouldn’t be payable, and he also referenced other issues regarding the

valuation of his car and the service he received after the claim was passed back to M.

Our investigator re-affirmed what they could and couldn't consider under this complaint reference. And they maintained their opinion that BISL didn't need to do anything more. Mr R continued to disagree and so, 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 not 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 what I've been able to consider, and how. I note in response to our investigators view, Mr R has expressed his concerns about the valuation placed on his car, and the service he received when his claim was passed back to M. But these, as well as the charging of his excess, are the responsibility of M as the underwriter of his policy and so, must be considered separately to this decision. So, they haven't impacted the decision I've reached, and I won't be commenting on them further.

I also recognise Mr R has raised concerns about the service provided by E, and the engineer they appointed, who I'll refer to as "IMS", after BISL referred his claim to them initially. But E are a separately regulated accident management company who were acting on Mr R's behalf under a separate agreement. So, BISL aren't responsible for their actions. Nor are BISL responsible for the actions of IMS, as IMS were instructed by, and acting as agents of, E up until the point the claim was referred back to M. So again, these issues haven't impacted the decision I've reached, and I won't be commenting on them further.

Further to this, I note Mr R has raised concerns about the way BISL, and C, have acknowledged and responded to his complaints. But complaint handling is an unregulated activity and so, not something our service has jurisdiction to consider, meaning I'm unable to address this within my decision.

Instead, my decision will focus solely on BISL and their responsibilities within the claim process. This also includes C, who as I've explained above were acting as their agent. And this responsibility is limited to the quality of the referral BISL made when Mr R contacted them initially to make a claim, and their service around this.

When considering complaints such as this, our service would expect the referring business such as BISL to ensure a customer is provided with information that is fair, clear and not misleading so they are able to make an informed decision about how they wish to proceed. And crucially, this includes outlining both the benefits and risks of claiming on their policy or using a credit repair provider, such as E.

So, I've listened to the recording of the FNOL call Mr R held with BISL's agent, C. And having done so, I'm satisfied the referral was a poor one. Within the call, Mr R isn't provided with the option to claim on his own insurance policy, which he should have been.

And when BISL explained the referral to E, they failed to explain to Mr R that utilising this

option would see him stepping outside of a regulated insurance product, meaning he wouldn't be able to refer a complaint about E and their service to us. Nor did they explain that Mr R may ultimately be left liable for the costs E incurred.

Further to this, while they explained that no excess would be payable when using E, they didn't make it clear to Mr R that, should E pass the claim to his underwriter, M, then an excess may be charged.

I note BISL have also accepted that following this call, Mr R was passed incorrectly to multiple departments. And that despite telling them directly he had no need for a hire car, E contacted him in an attempt to provide one. I would've expected BISL to ensure E received all the relevant information needed to manage the claim, including Mr R's needs and requirements. And I've seen no evidence to suggest E were made aware of this as I'd expect.

So, I'm satisfied BISL acted unfairly when referring Mr R to E, processing the initial claim call and the necessary actions afterwards. And I've gone on to consider what BISL should do to put things right, considering the compensatory payment of £350 that they have already made. Having done so, I'm satisfied the payment already made by BISL is a fair one, that falls in line with our services approach and what I would have directed had it not already been paid. So, I'm not directing BISL to do anything more and I'll explain why.

I don't doubt Mr R assumed he was making a claim through his own policy when he was passed through to E, based on the call I've heard. But he wasn't. And Mr R wasn't provided with the relevant information to decide how he wished to proceed. So, in line with our services approach, Mr R should be compensated for this loss of opportunity. And I'm satisfied the total payment of £350 does this.

I'm also satisfied the £350 fairly considers the inconvenience Mr R would have been caused when he was passed to different departments incorrectly, as well as recognising the shock he would have felt when he was made aware his excess would be payable, which directly contradicted the information BISL told him initially.

But I'm satisfied the £350 also takes into consideration the fact I have no way of knowing for certain which option Mr R would have chosen, had he been given all the relevant information on the initial call.

I note Mr R stated he had no need for a hire car and so, I don't believe this was a relevant factor. What I am satisfied would have been a relevant factor is the excess Mr R had to pay. And I'm satisfied Mr R most likely wouldn't have wanted to pay it, if he had an option available not to, considering his unhappiness with this now. And even if this wasn't the case, and Mr R chose not to use E's services and instead make a claim through M, then it's usual for an excess to be taken.

So, I'm unable to say Mr R would have been left in a different financial position.

I understand this isn't the outcome Mr R was hoping for. And I want to reassure him I've thought carefully about all the representations he's made, even if I haven't commented on them specifically due to the informal nature of our service. I don't doubt Mr R's vulnerabilities would have made an already difficult situation worse. And I want to reassure him I've have thought about this holistically here. But I must also note that on the call with BISL, and in the other evidence available, I've seen nothing to satisfy me Mr R made BISL aware of his vulnerabilities, or his need for adjustments, when considering the service they were directly responsible for. Or, that this was then raised directly as a complaint point for BISL to address. So, my decision remains on this occasion.

My final decision

For the reasons outlined above, I don't uphold Mr R's complaint about BISL Limited trading as Budget Insurance Services.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 18 December 2025.

Josh Haskey
Ombudsman