

The complaint

Mr D complains about Somerset Bridge Insurance Services Limited trading as Go Skippy ("SBI") and their referral of his claim to an accident management company ("AMC").

What happened

The claim and complaint circumstances are well known to both parties. So, I don't intend to list them chronologically in order. But to summarise, Mr D held a motor insurance policy, sold and administered by SBI, when he was involved in a road traffic accident. So, he contacted SBI to make a claim.

SBI referred Mr D's claim to an AMC, who I'll refer to as "AX", to progress Mr D's claim on a credit hire basis, under a separate credit hire agreement. But Mr D became unhappy with the service AX provided, until AX ultimately advised Mr D of the need for him to take the claim back to the underwriter of his insurance policy, who I'll refer to as "W", due to concerns about liability. Mr D was unhappy with this, so he raised a complaint.

Mr D's complaint contained several elements, ranging from his unhappiness with AX, SBI and the liability decision. SBI responded to the complaint and didn't uphold it. Mr D remained unhappy with this response, so 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 in summary, our investigator explained this complaint reference could only consider SBI's referral of Mr D's claim to AX. And having done so, they set out why they thought the referral was a poor one. So, they recommended SBI pay Mr D £250 compensation, while directing SBI to cover any costs AX attempt to recover from Mr D, if they decide to.

Mr D sought clarity on what our service had considered, and the relationship between SBI, W and AX. But he recognised the offer of compensation, and the additional direction. But SBI didn't agree with our investigator, providing reasoning, and new information setting out why. This included, and is not limited to, their provision of a copy of the claim call, explaining why they were satisfied their agent had given a reasonable level of information within it. They also disputed a referral to AX prevented Mr D from being able to bring a complaint about AX to our service, while also confirming that as Mr D had made a claim through his insurance policy, any AX costs would be covered by W directly.

Our investigator considered this call, and the additional information. But their opinion remained unchanged. SBI 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 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 considered, and how. I recognise Mr D has raised concerns about the liability decision made on his claim, and delays incurred when his claim was passed back to SBI, and so W, from AX. But these complaint points would be the responsibility of W, who are the underwriter and so, insurer of his policy. So, these would need to be considered against W, under a separate complaint reference.

And as AX were acting as an AMC when progressing Mr D's claim initially, they were doing so as a separately regulated business from SBI. So, any concerns Mr D holds about the service AX provided to him would need to be addressed to AX directly and can't be considered within this decision.

Instead, my decision will focus solely on SBI's referral of Mr D's claim to AX. And in line with our services approach to complaints of this nature, we would expect the referring business to provide enough information to allow a customer such as Mr D to make an informed choice on whether they wished to use an AMC or utilise their own insurance policy.

Crucially, this means we would expect the referring business to discuss the benefits and the risks of each option. So, when discussing a referral to AX, we would expect SBI to make it reasonably clear to Mr D that by choosing AX, he would be entering into a separate agreement that stepped outside of his regulated contract of insurance, meaning he would be unable to contact our service should he be unhappy with the service AX provided. And, that if Mr D was later found to be at fault for the accident, he could be held liable for the charges AX incurred while processing his claim.

Having listened to the claims call where the referral was discussed, and considering the claim notes SBI have provided, I'm not satisfied this was the case. And I'll explain why.

Having listened to the call, it's clear SBI outlined the two options to Mr D, namely accepting a referral to AX, or utilising his own comprehensive insurance policy underwritten by W. But when discussing these options, at no point did SBI outline the risks of accepting a referral to AX. Instead, they advised Mr D that he would receive the same benefits of a courtesy car being provided via both options, with the main difference being that a referral to AX wouldn't require Mr D to pay his excess, which I note was a significant amount.

While SBI did make it clear to Mr D that there was a chance AX would pass his claim back to his own policy, at no point did SBI explain that if this happened, Mr D may still be liable for the costs AX incurred up to that point. So, I'm satisfied SBI's referral to AX was a poor one, that failed to provide Mr D with the right information, at the right time, to make an informed decision on how he wished to proceed. So, I've then turned to what AX should do to put things right.

Putting things right

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

In this situation, had AX acted fairly, they would have clearly outlined all the risks entailed

with a referral to AX, so he could make an informed choice on how he wished to proceed. So, I've had to consider what I'm satisfied Mr D would most likely have done, had this happened.

In this situation, it was made clear by SBI that Mr D's claim was listed as "dispute" regarding liability, due to the accident occurring on a roundabout. So, it was made reasonably clear there was a chance liability may not be accepted, and he could be held at fault.

So, with this information being made reasonably clear, had Mr D then be made aware that by choosing to use AX he would be liable for any costs AX incurred if he was ultimately deemed to be found at fault, I'm satisfied Mr D would, on the balance of probability, most likely not chosen the option he did.

This is furthered by the fact that, from the information and testimony I've considered, I'm satisfied Mr D's main priority was ensuring he had a courtesy car available to him. And, that his policy with W provided this option, should he use their own repairer. So, I'm satisfied that Mr D's main priority would have been fulfilled through either option.

So, I've then moved on to consider the impact Mr D has been caused, that SBI are ultimately responsible for.

As AX incurred costs when processing the claim before passing it back to W, they have incurred costs that Mr D could be held responsible for. While I've seen no evidence to show AX have attempted to recoup their costs from Mr D, this is a potential situation that may arise. Had SBI acted fairly, I'm satisfied Mr D wouldn't be potentially responsible for these costs. So, I am directing SBI to cover any costs AX attempts to recoup from Mr D, should this situation arise.

And due to the poor referral, Mr D has been unable to pursue his complaint about AX with our service, due to them providing their services outside of a regulated agreement. He was also unable to utilise the courtesy car cover under his policy, as AX initiated the repairs to his car through a repairer outside of W's approved repairer network. So, I'm satisfied Mr D has been inconvenienced by SBI's poor referral, receiving a loss of opportunity on more than one occasion.

I note our investigator recommended SBI pay Mr D £250 compensation to recognise the above. Having considered this recommendation, I'm satisfied it's a fair one, that falls in line with our services approach and what I would've directed had it not already been put forward.

I'm satisfied it fairly takes into consideration the inconvenience Mr D has been caused, as well as the confusion and worry he's felt during the situation, which ultimately would have been avoided had the referral been of the standard our service would expect. So, this is a payment I'm now directing SBI to make.

I understand SBI are unlikely to agree with this outcome. And I recognise in their response to our investigators initial view, they outlined why they felt Mr D could raise a complaint about AX through our service, and that any fees AX incurred would be covered by themselves.

But I want to be clear that our service will not consider complaints about AMC's such as AX, who operated under a credit hire agreement such as the one Mr D entered into. And while it's pleasing to hear SBI expects any costs incurred by AX to be covered by W, this also contradicts the information detailed in their system notes and advice given to Mr D on 23 May when he returned to them, where they explicitly state Mr D may be held liable for AX's costs. So, my direction remains.

My final decision

For the reasons outlined above, I uphold Mr D's complaint about Somerset Bridge Insurance Services Limited trading as Go Skippy and I direct them to take the following action:

- Pay Mr D £250 compensation; and
- Cover any hire costs AX attempt to recoup from Mr D, should this situation arise.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 16 December 2025.

Josh Haskey
Ombudsman