

The complaint

Mr F has complained about First Central Underwriting Limited trading as 1st Central Underwriting. He isn't happy with the way it dealt with a claim under his motor insurance policy after he was involved in an accident.

What happened

Mr F was involved in an accident and made a claim under his motor insurance policy. But he wasn't happy about how First Central settled the claim holding him at fault, not providing him with a courtesy car as he used his own repairer and the general poor handling of his claim.

When Mr F complained to First Central about this it accepted that its service could have been better and Mr F faced delays and so offered £150 by way of compensation for this. But it thought that it had settled the liability claim fairly and the policy didn't provide a courtesy car if the consumer chose to use their own repairer. And as Mr F remained unhappy, he complained to this Service.

Our Investigator looked into things for Mr F but didn't uphold his complaint. Although he accepted First Central caused delay and provided poor service, he didn't think that it acted poorly in settling the claim and the way it dealt with the finalisation of Mr F's claim.

As Mr F didn't agree the matter has been passed to me for review.

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 this complaint. I know this will come as a disappointment to Mr F, but I'll explain why.

I'd like to reassure Mr F that whilst I'm aware I may have condensed some of the complaint points in far less detail and in my own words, I've read and considered everything he's told us. I'm satisfied I've captured the essence of the complaint, and I don't need to comment on every point individually, or possibly in the level of detail he would like, in order to reach what I think is a fair outcome. This isn't meant as a discourtesy, but it simply reflects the informal nature of our Service.

I can understand Mr F's frustration as he feels that the other driver was at fault for the accident, that First Central didn't provide a courtesy car while his car was being repaired, and that it looked to undervalue his car, but I don't think it has acted unfairly here. First Central has accepted that its service wasn't good enough and it caused some delay. But I think, in the main, it acted fairly and in line with the policy terms and conditions although it has acknowledged its delay and the poor service it provided and offered £150 compensation for this.

In relation to liability, I can understand how difficult and frustrating Mr F has found all of this. I say this as he was at the scene when the incident happened and knows full well what did and didn't happen. But as our Investigator has explained it isn't the role of this Service to decide liability, which is a matter for the courts. Although we do look to ensure insurers have acted in a fair and reasonable way.

First Central, like most motor insurers, have a clause in the contract that allows it to take over the settlement of the claim. This gives it the right to decide whether to proceed to court or settle a claim. And court proceedings are uncertain and expensive, so insurers are cautious about going to court. They look to consider the costs involved and the likelihood of success in making these decisions.

But we look to ensure that insurers act fairly in deciding whether to settle matters and make a reasonable assessment of the claim. Based on a clear understanding of the evidence and circumstances surrounding the accident. With this in mind, I have carefully considered how First Central has handled Mr F's claim.

I know Mr F feels that First Central didn't settle liability fairly. He feels it should have got CCTV evidence from around the scene and the third-party was on his phone at the time of the incident. But First Central did look to check if there was any CCTV footage in the vicinity and there is no guarantee that the cameras would be facing the correct way or witnessed events in any event. However, it is clear that Mr F was changing lanes at the time of impact and there would always be a greater onus on Mr F to ensure it was safe to do so while undertaking a manoeuvre like this.

Having considered all of this, First Central decided that it wouldn't be sensible to look to defend Mr F at court and it seems likely that the best it could have achieved would be a split liability decision, given that it is accepted that Mr F was changing lanes. And this would mean Mr F would have a fault claim against him in any event.

Given all of this I don't think First Central acted unreasonably in deciding liability. I know Mr F is also unhappy that his premium increased even though his no claims discount (NCD) was protected but any claim, fault or non-fault is likely to impact risk and in turn premiums. And insurers apply the protected NCD discount once the premium has been established, which in this instance would include the increase caused by the fault claim.

Mr F was also unhappy that First Central initially looked to write his car off as it felt that it was uneconomical to repair. But it later reviewed its position and an engineer agreed that Mr F could repair his car after considering his own repairing garage's estimate which Mr F proceeded with. It seems likely that Mr F's own repairer was able to repair his car for less than First Central's own repair network and as Mr F wanted to retain the car this seemed a fair and reasonable way to advance the claim.

I know that this left Mr F without the use of a courtesy car which impacted him as he didn't have the use of a car while his was being repaired. And Mr F feels that he should have been provided with a courtesy car while his car was being repaired. But as he chose not to use First Central's repair network it wasn't able to provide one and he would have needed to have advanced this with his chosen repairer or ensured he used a garage that was able to provide a courtesy car.

While this is unfortunate I don't think I can hold First Central responsible for this as Mr F chose to advance the repair of his car, as he didn't want it written off, with his own repairer. Mr F feels that First Central's advertising suggested that he would get a courtesy car, and he would have done if he had used its repair network, but the policy makes it clear that if a consumer uses their own repairer, then it cannot guarantee the repairs, and it will not provide a courtesy car. I know Mr F feels all this should have been clearer when he took the policy out. But even if Mr F didn't read the policy documentation when he took the policy out, I would have expected him to digest it before advancing the repair of his car with his own repairer.

Ultimately, it was important to Mr F to get his car repaired and not written off and so I can understand why he took the steps he took to get his own garage to repair the car, but I can't ask First Central to step outside its policy. And I can see that First Central tried to work with the garage and agreed additional repair work and increased costs as the repair wasn't as straightforward as first envisaged (which is one of the reasons why First Central would have

been leaning towards writing the car off in the first instance) and it even waived the excess that was due under the policy which it wasn't obligated to do.

In response to our Investigator Mr F has also raised that he feels First Central may have failed in its consumer duty. I've taken into consideration this regulatory requirement. And I agree First Central has a duty to give consumers the information they need to allow them to make informed decisions and a duty to provide helpful and accessible support. And although I accept that there were times when it could have been even clearer, I think the information was clear enough and as I've outlined above I would expect a consumer to consider the detail of the policy documentation, especially following a claim. And it's clear that Mr F wanted to retain his car and First Central looked to help facilitate this which seems fair in the circumstances.

Finally, I agree that there were some delays, long hold times and poor communication during Mr F's claim journey which clearly caused some stress and inconvenience. However, some of the delays were outside First Central's control and I think its offer of £150 compensation alongside waiving Mr F's excess seems fair in acknowledgement of the difficulties Mr F faced here.

My final decision

It follows, for the reasons given above, that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 28 January 2026.

Colin Keegan
Ombudsman