

The complaint

Mr B has complained about his car insurer First Central Underwriting Limited, he says it damaged his car during the course of undertaking insured repairs.

What happened

Mr B's parked car was hit in June 2024, by an empty vehicle which had rolled down a hill. FCU accepted a claim for the car and it was taken for repair then returned to Mr B on 28 June 2024. Mr B contacted FCU the same day to advise of faults with the car – a switch had been broken, and the parking assist feature wasn't working. A few days later, whilst waiting for assistance on these matters, Mr B called FCU again as the windscreen (repaired/replaced during the insured works) had leaked overnight during heavy rain and the car had flooded.

The windscreen was subsequently refitted – it had not been sealed properly. On 16 July 2024, FCU's garage took the car back, organised for an assessment by a manufacturer garage and, in September, replaced the parking loom and sensors to resolve the parking assist issue.

Within a week of having the car back, Mr B called FCU to report a noise coming from the front right of the car – with that area having been worked on to replace the parking loom. FCU sent two engineers to assess the car, with reports completed on 14 and 28 October 2024. The engineers concluded the garage had attempted to repair the bumper, but said it needed replacing. Regarding the other issues Mr B had found with the car in September 2024; the first engineer said further investigations were needed to determine if the problems were claim related. The second engineer concluded they were not claim related and that, to determine anything more, further investigation would be needed.

Mr B advised FCU that the car was due its MOT and with the issues it had, he did not think it would pass. FCU told him to complete the MOT. He did so. The car failed. The garage completed a report – concluding the issues with the car were likely directly related to the recent repairs. Mr B had some repairs carried out, primarily replacing the driveshaft, to allow the car to pass the MOT on a re-test and continued to challenge FCU about the state his car was in.

FCU subsequently issued a final response letter (FRL) to Mr B. It acknowledged there had been some issues with the repairs it had completed and that the bumper did need replacing. It welcomed Mr B to provide a quote to do so. But it said it had been unable to determine either way if the garage had broken the switch – it had though sourced a second hand replacement part as a goodwill gesture. Regarding the other issue that Mr B had identified with the car after the parking loom replacement in September 2024, it said Mr B should get his own report from the manufacturer dealer. It said it would cover the cost of that inspection if it showed the claim or repairs were likely the cause of the issues.

In a further FRL FCU acknowledged Mr B had been caused upset during a three-week period when there'd been a mix-up over a hire car it had agreed to provide. It offered to pay Mr B £300 compensation.

FCU also agreed to cover the storage costs for the car, charged by the garage when the car failed the MOT. It said these would be covered by it until 6 December 2024. It accepted there had been some delays and offered a total of £150 additional compensation.

Mr B complained to the Financial Ombudsman Service. Within Mr B's submissions to this Service, he provided two reports from the garage which had completed the MOT on the car in November 2024, along with invoices for the work he'd had done at that time. He also provided a quote for the bumper replacement, dated 4 November 2024 showing an expected cost of around £7,500. He explained he'd made enquiries at several garages and it looked as though the different elements of remaining work would need separate repairs – some paintwork, some mechanical – which would add a significant level of inconvenience. He said he was worried about all the work that would be needed and said he wanted matters resolved once and for all. Mr B explained he was struggling with a recent family bereavement.

FCU provided our Investigator with a further engineer's report, dated 4 December 2024. This said there were signs of post-accident impact damage to the bumper and the engineer therefore felt it wasn't clear it needed replacing because of the original claim or the garage's work. The engineer also stated the original claim and repair documents had been reviewed and the garage hadn't completed any work to the car's suspension. This would have needed to be dismantled, the engineer said, for the garage to have removed the driveshaft.

Our Investigator having reviewed everything that had happened, paying particular note to the timeline and available expert evidence, felt on balance the garage had most likely caused damage to Mr B's car. She said, in all of the circumstances the fair outcome would be for FCU to write the car off, settling with Mr B for its pre-accident value in line with our approach to complaints about total loss claims as well as reimbursing the repair costs he incurred to get the car to pass its MOT. She also felt compensation should be paid. Noting the £300 FCU had offered but not paid regarding the hire car issue, and the £150 offered in respect of delays, she said it should pay total compensation of £1,050.

Mr B was happy with that outcome. FCU said it disagreed with it.

FCU said Mr B's car had been repaired by a third-party insurer prior to this accident. So, it theorised, that might have been the poor repair which had caused the issue with Mr B's car that presented in September 2024. Our Investigator pointed out to FCU that the prior claim details it had shared to support its point in this respect were for a different car.

FCU then presented further comments from an engineer from its repair network. The engineer explained that the level of disassembly needed to work on the suspension would not have been required for the repairs undertaken to Mr B's car. But the network engineer highlighted that the main concern about accepting liability for the problems with Mr B's car was that there had been a second impact to the car after it was returned to Mr B, with the independent engineer's findings providing "corroboration that the subsequent damage is the result of a later, unrelated incident."

Our Investigator refuted FCU's further comments. FCU still did not agree it had liability, it said its repairer was only a bodywork specialist and wouldn't complete any other work itself. The complaint was referred for an Ombudsman's 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 find my view on the complaint is the same as that set out by our Investigator. I've set out my findings below, along with what I'm satisfied FCU must do to put things right.

A lot has happened since FCU's garage initially returned Mr B's car to him following its completion of the claim repairs. A lot has been said by FCU about the various subsequent issues found with the car. I've set out its key comments in my background above. I have to note that it surprised me that FCU would provide evidence in defence of its position which related to an entirely different car. Providing evidence like this does give me cause to question the efficacy of the other arguments and evidence it has provided.

In any event, at this stage in our complaint process, I intend to try and simplify matters. This is in-keeping with our informal role and my task to set out key details most important to my findings. So, if I don't mention a particular argument or piece of evidence, it is not that I haven't considered it. On the contrary, I have read and considered everything the parties have provided.

FCU took Mr B's car for repair following the incident where an empty car collided with it. FCU has not shown what repairs were initially completed. But clearly, on return to Mr B:

- the car's windscreen had been replaced or re-fitted poorly, with this poor work allowing significant water ingress, causing damage.
- the car's parking switch had been broken and glued back in place. FCU says it couldn't determine if its garage had done this. But it had photos of the car from the date of the incident and the switch was intact in those photos.
- the car's parking assist feature wasn't working, investigations caused FCU to accept it needed to replace the car's parking loom and sensors in order to resolve the problem and that work was done.

To the point of the loom repair, despite the other issues Mr B had identified with the car on its return, no concern had been raised by him about the car being noisy and juddering. But within days of the car being returned after the parking loom replacement, Mr B contacted FCU in that respect. Whilst FCU agreed to investigate Mr B's concerns, the two engineer reports then completed on 14 and 28 October 2024 did not comment on the likelihood of the garage's repairs having caused damage to the car. Both of those reports found that the garage should have replaced the bumper, with neither of them suggesting a further impact had caused the bumper damage.

I find it disappointing that FCU agreed to consider Mr B's concerns about poor work by it causing damage to his car, but then didn't ensure that the independent engineers it appointed in that respect actually considered that issue. There is no sign in those reports that the engineers considered what work, particularly the rectification work, was done to Mr B's car. And when Mr B then raised concerns about the upcoming MOT, he was left with no choice but to test the car knowing it would fail and then complete the work necessary to enable it to pass.

The garage which carried out the MOT did provide an expert report on the problems the car had presented with and whether they were likely caused by work of the garage. The MOT garage provided a subsequent more detailed report as well. FCU has seen both reports, has had a chance to comment on them and I've noted what it has said.

Essentially the MOT garage found the noise and juddering had been caused by a detached inner joint of the driveshaft, with that problem having then affected other parts such as the suspension, tyres, engine mount and brakes. The MOT garage said "it's almost certain" the

driveshaft was caused by the car not being supported properly during repair and the level of degradation is “not attributable to general wear and tear”.

I know FCU has suggested someone may have tampered with the car. I've seen no evidence of that and I'm surprised FCU would make such an accusation without any evidence or even some kind of supporting explanation. I know FCU says given the car's age and mileage, wear and tear is to be expected. But it hasn't shown the car was likely suffering wear and tear. And I bear in mind the car's MOT history shows no prior advisories (or fails) for these types of parts. Further, Mr B noted no concerns of this nature after FCU's first repair, the manufacturer garage didn't note any issues with the car when they saw it in July, and FCU's garage had the car then until returning it to Mr B in September.

I also bear in mind that whilst FCU says the car's suspension wasn't worked on and there was no significant disassembly such that the driveshaft would have been accessed, it has not shown what work was done. It seems it accepts that the front wheel at least had to be removed, along with other parts for the parking loom to be fixed, but it hasn't explained what work was actually completed. And it has made a point of arguing that its garage does body work only. Which does leave me to wonder how that garage was able to replace a parking loom which, at the very least, needed a wheel to be removed. And, what FCU has not commented on or shown anything to disprove is the MOT garage's expert opinion that, rather than any suggestion of the driveshaft being 'worked on', it was damaged because the car was not properly supported during works.

In short I find I'm not persuaded by the evidence and arguments FCU has presented. I also find that nothing it has said, even the comments from its engineer, give me cause to doubt the expert findings of the MOT garage. Bearing in mind the sudden onset of a severe issue within days of FCU's garage completing work and the short history of the repairs completed since the claim, I find I'm most persuaded by the MOT garage's expert opinion. I'm satisfied then it's most likely that FCU's garage caused a situation which allowed damage to be caused to the driveshaft of Mr B's car, such that the car failed its MOT and other parts of the car were damaged.

I have to think then about what is required to put matters right. Often, in a situation where poor repairs have been completed, or even where damage has been caused, I'll often give the insurer a chance to put that right. Or I might require the insurer to consider paying for invoices, to be submitted by the policyholder, for having had the repairs done at a garage of their choosing. But I don't think either of those options would be fair here. I think the situation has gone on too long with FCU having had reasonable chances to deal with the matter, yet it has failed to do so. I accept that Mr B now simply needs the issue resolving. I bear in mind too that whilst FCU did agree the bumper needed replacing, it has since sought to renege its offer in that respect. So I have no faith that sending the parties away to agree on repairs and costs for all the issues related to the poor repair would be a solution workable in practice. I think the best way to put Mr B, in this instance, into the position he was before FCU failed him by damaging his car, is to require it to view the car as a total loss.

FCU viewing the car as a total loss will mean it has to settle with Mr B for its pre-accident market value. The car will then become FCU's property. Mr B will be able to use the funds paid by FCU to purchase a replacement car. Settling the matter in this way will enable both parties to have a simpler and quicker end to dealing with each other and this issue. I bear in mind it is a resolution Mr B is happy with and also that it will limit FCU's outlay where the bumper replacement alone is already estimated to cost around half the car's market value (according to the independent engineer, but I have not made and am not making any finding on what the reasonable market value for the car actually is). With there then also being a host of reported issues needing repair but not yet costed.

If I was requiring FCU to settle this matter on the basis of a total loss because I felt it should not have repaired the car in the first place, then I'd likely require interest on the total loss sum to also be paid. However, my award here is to put things right following poor work in the specific circumstances of this claim and complaint. And Mr B has had use of his car at times in the period since the initial accident and repairs. So it wouldn't, in my view, be fair to require FCU to pay interest in on top of the total loss sum.

Mr B also incurred costs on account of the problems FCU caused with the car. Most notably in having to complete emergency repairs to enable the car to pass its MOT. I'm satisfied Mr B acted reasonably in this respect to mitigate the situation he was in, a situation I've found was caused by FCU's poor work. Therefore, I'm also satisfied it's fair to say FCU should reimburse the costs he incurred. And on those sums to be reimbursed, interest should be added, applied to the sums from the date each cost was incurred until settlement is made.

There were also costs charged by the MOT garage for storing Mr B's car. FCU has agreed to pay these costs. I'm satisfied that is reasonable. As I understand it, they are still owed, Mr B has not paid them. As he is not out of pocket for these costs, I won't require FCU to add interest on top of what the garage has charged.

I can see this has been a difficult time for Mr B. He reasonably expected his car would be returned to him, after the repairs, working in the same way it did before. But that was not the case. He then also saw his car interior become damaged when the windscreen, repaired or replaced as part of the insured work, allowed water ingress. On top of all that Mr B's car was away all summer, for around six weeks, for the parking loom replacement. FCU has not explained why that took so long.

Of course, as discussed above, once the car was returned to Mr B, the noise and juddering were identified. This caused Mr B a lot of worry, he had to have two visits from FCU's appointed independent engineer. He then had to put his car through an MOT he knew it would fail and then pay to have urgent repairs done so he could continue to have a car he could use.

Taking everything into account I'm satisfied that compensation of £1,050 is fairly and reasonably due to Mr B. This takes into account the upset caused and the period over which it was suffered, all on account of FCU's failures. As far as I'm aware FCU has not paid the £300 it previously offered to Mr B, nor the sum of £150. But if it has paid him £300, or the £150 already, it will now only need to pay him what remains outstanding from my total compensation award sum of £1,050.

Putting things right

I require FCU to:

- Make a payment to Mr B equivalent to the pre-accident market value of his car, which should be assessed in line with our usual approach on these matters.
- Reimburse Mr B's costs incurred for repairs undertaken to enable the car to pass its MOT in November/December 2024. For any sums Mr B paid and it reimburses, it should add interest* applied from the date Mr B incurred the cost until the date it reimburses it.
- Pay the storage costs charged by the garage for storing Mr B's car until 6 December 2024.
- Pay Mr B a total of £1,050 compensation, if £300 and/ or £150 of that has already been paid it will now only need to pay any sum which remains outstanding from that total.

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require FCU to take off tax from this interest. If asked, it must give Mr B a certificate showing how much tax it's taken off.

My final decision

I uphold this complaint. I require First Central Underwriting Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 January 2026.

Fiona Robinson
Ombudsman