

The complaint

Mr H complains about Sainsbury's Bank Plc ("SBP") and the information provided to him 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 them chronologically in detail. But to summarise, Mr H held a motor insurance policy that was arranged and administered by SBP, but underwritten by a separate insurer, who I'll refer to as "X".

Unfortunately, Mr H was involved in a non-fault road traffic accident in November 2024. So, he contacted SBP to make a claim on his insurance policy. SBP had authorised an accident management company, who I'll refer to as "A", to handle the first notification of loss ("FNOL") calls on their behalf. As A were acting as their agent, SBP ultimately remain responsible for the service A provided regarding the handling of the FNOL call.

As Mr H's claim was non-fault, A chose to pursue the claim in their capacity as an accident management company ("AMC"), with the intention of recouping their costs from the third-party insurer ("TPI"). But Mr H became unhappy with the length of time this was taking. And in March 2025, he was informed by A that the TPI had stopped communicating with them. So, they directed Mr H to raise a claim with his insurer, X, directly.

Mr H was unhappy about this, so he raised a complaint with SBP. In summary, Mr H explained he was under the impression he had already raised a claim with X. And he was unhappy he hadn't been made aware his claim with A was separate to his motor insurance policy, which ultimately left him needing to restart the claim process some months later. So, he wanted to be compensated for the inconvenience this had caused him.

SBP responded to the complaint and set out why they felt it was the responsibility of X to respond. Mr H remained unhappy with this response, so he referred his complaint to us.

While the complaint was with our service, SBP set out their opinion that within the FNOL call, A made it clear Mr H was speaking to them, and not SBP. So, they didn't agree they had acted unfairly or were responsible for the information provided on that call.

Our investigator looked into the complaint with this in mind and upheld it. Both parties have had sight of this outcome, so I won't be recounting it in detail. But to summarise, our investigator explained why they were satisfied SBP were responsible for the information provided on the FNOL call by A.

And they set out why they were satisfied A failed to provide Mr H with clear and reasonable information on how his claim would process, which they were satisfied led to Mr H feeling misled when he discovered he hadn't been claiming through his own insurance policy. So, they recommended SBP pay Mr H £100 to recognise the impact this had caused him.

Mr H didn't object to this recommendation. But SBP did. In summary, SBP set out why they

maintained their position that A were acting independently, and not on their behalf, when handling the FNOL call. So, they maintained their position that they weren't responsible for the advice given to Mr H on this call and the impact Mr H then felt later within the process. As SBP didn't agree, 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, in line with our services informal approach. 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 why I'm satisfied SBP are responsible for the advice given to Mr H on the FNOL call.

I've carefully reviewed the terms and conditions of Mr H's motor insurance policy, that SBP arranged on his behalf. Within these documents, it makes clear that SBP were responsible for arranging the policy, which I note isn't in dispute. And, that the policy itself was underwritten by X.

But within the summary section, the policy also explains that "*{SBP} acts to help in the administration and performance of the insurance contract*". The terms and conditions then go onto explain in the "*Claim service*" section that when a customer such as Mr H was involved in an accident, they should report the accident as soon as they can by calling a customer service number that is SBP's car insurance customer support line. So, based on this, I'm satisfied SBP were authorised to process, and were responsible for, the FNOL call made by any customer who held a policy such as the one Mr H had.

I've then listened to Mr H's FNOL call recording. At the beginning of the call, the agent clearly explains they were from A, who were "*the first notification of claims for {SBP}*".

So, because of the above, I'm satisfied SBP were authorised to act in the administration and performance of the insurance contract, with them being responsible for the notification of claims made under the policy. And, that A were acting as an agent of SBP when handling Mr H's FNOL call, which in line with our services well-documented approach means SBP were ultimately responsible for the service, and information, A provided.

It's not in dispute that following the initial FNOL call, Mr H's claim was initially pursued by A in their capacity as an AMC. And, that this was pursued outside of Mr H's contract of insurance with X.

In situations such as this, we would expect the business responsible for the referral of the claim to an AMC to ensure the referral itself was a good one. And we deem a good referral to be one that gives a customer enough information to make an informed choice about whether to pursue their claim via the AMC, in this case A, or to use their own insurance policy.

Having listened to this call, I'm not satisfied a good referral was made. It's clear that Mr H himself assumed his claim was being made through his own insurance policy, considering A answered his call initially explaining they were acting on SBP's behalf, who were the policy broker and had set up the policy to begin with.

At no point during the call did A explain that, by Mr H allowing them to pursue the claim, he would be doing so under a separate agreement, outside of his own insurance policy. Or, that the risks of this was communicated to him. So, I'm satisfied SBP acted unfairly here.

As I'm satisfied SBP acted unfairly, I've then turned to what SBP should do to reasonably put things right.

Putting things right

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

In this situation, A would have made it clear that they would be pursuing the TPI under a separate agreement, including the benefits and risks of this. Considering this wasn't done, it's difficult for me to know for certain what option Mr H would have taken. But I do note within the call, Mr H asked for clarity on the impact any claim would have on his own no claims discount ("NCD"). And when A told Mr H proceeding as they intended would have no impact, I'm satisfied he found this acceptable and wished to proceed on this basis.

So, considering the above, and that Mr H was happy through A's claim process to request payment from the TPI considering the claim was non-fault, I'm satisfied that on the balance of probability, Mr H would have most likely continued to use A's services.

But crucially, had Mr H been made aware this was separate to his own insurer, I'm satisfied he would have been reasonably aware earlier on within the delays created by the TPI not responding to A, that he had the option to contact X, his own insurer, to explore making a claim through them. And considering this is ultimately what Mr H did, I'm persuaded he would have most likely done this sooner than he did, meaning he would have received his payment from X sooner. So, I'm satisfied he should be compensated for this.

Further to this, I'm satisfied it would have been concerning and alarming for Mr H to learn that his claim was being progressed by A under a separate agreement, rather than through his own policy. And I've no doubt this would have created a sense of worry that could have been avoided, had the referral process been conducted as our service would have expected. So, I'm satisfied this should also be compensated for.

I note our investigator recommended a compensatory payment of £100 to recognise the above, which Mr H didn't dispute. Having considered this recommendation, I'm satisfied it's a fair one that falls in line with our services approach and what I would have recommended had it not already been put forward.

I'm satisfied it fairly compensates Mr H for the impact I've outlined above, including the inconvenience and concern he's been caused. But I'm satisfied it also fairly reflects the fact that SBP's responsibility was limited to the quality of the referral to A. It does not extend to the service provided by A when pursuing his claim against the TPI, or the fact that the TPI's failure to respond created issues that ultimately saw him needing to make a claim through his own policy when this may have been prevented had the TPI been more co-operative. So, this is a payment I'm now directing SBP to make.

My final decision

For the reasons outlined above, I uphold Mr H's complaint about Sainsbury's Bank Plc and I direct them to take the following action:

- Pay Mr H £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 18 February 2026.

Josh Haskey
Ombudsman