

## **The complaint**

Mrs H had a motor insurance policy underwritten by First Central Underwriting Limited. She has complained about the way First Central acted after she notified them of an incident she was involved in.

At times, Mrs H was represented by her husband. For ease of reading, where I've written Mrs H it also covers the actions of her husband.

## **What happened**

Mrs H was involved in a minor accident in September 2024. She called First Central to notify them but said she wasn't making a claim at that time. First Central subsequently called the third-party to ask if they would like First Central to cover their costs. The third-party accepted and First Central paid to have the third-party vehicle repaired.

Mrs H complained to First Central as she didn't make a claim and wanted the incident recorded as notification only on the relevant databases. First Central responded they can retain the right to take over and settle any claim against Mrs H and that based on the circumstances described and information available, she would be liable for the incident. They said they proceeded to settle the third-party claim in line with their obligations under the policy.

When Mrs H referred her complaint to this Service, First Central made an offer of £200 for failing to effectively communicate with her when dealing with the third-party and closing the claim. An Investigator considered the offer and thought it was fair. Mrs H disagreed and said the impact on future premiums should be taken into account. The complaint couldn't be resolved so it has been passed to me to decide.

## **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.

As ours is an informal service, I'm not going to comment on every point or piece of evidence Mrs H and First Central sent us. Instead, I've focused on what I consider to be key or central to the complaint. But I'd like to reassure both that I have considered everything submitted.

Like most motor insurance policies, Mrs H's policy says First Central are entitled to settle any claim on her behalf. The policy allows them to deal with a claim in a way Mrs H doesn't agree with – but they must act fairly and reasonably in doing so.

In situations where it isn't in dispute whether a customer is responsible for an accident, it's industry standard for an insurer to reach out to the third-party if they have the contact information. This is what First Central have done here. They explained it keeps costs for repairs and hire cars in their control – and I don't find this explanation unreasonable for why they contacted the third-party in this case. The third-party agreed to settle directly through First Central and First Central paid for repairs. Because First Central incurred costs, and I

find they acted reasonably in incurring them, they had a duty to mark what happened as a claim on the Claims and Underwriting Exchange (CUE). And I'm not directing them to change or remove this.

First Central didn't need Mrs H's consent to deal with the third-party's claim, but I think they should have been clearer in the call with Mrs H about what they intended to do – and should have updated Mrs H when they settled the claim. By not being clear, I think they caused Mrs H unnecessary distress when she later learned about the way the claim was recorded. I'm pleased to see First Central have offered £200 compensation because they failed to effectively communicate with Mrs H. This amount is in line with what I would have awarded, so I'm directing First Central to pay this.

### **My final decision**

I partially uphold this complaint and direct First Central Underwriting Limited to pay Mrs H £200.

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

Andrew Wakatsuki-Robinson  
**Ombudsman**