

The complaint

Miss R complains about the information provided by BISL Limited when she called to claim on her car insurance policy.

Miss R is represented on this complaint, for ease of reading I've referred to Miss R throughout.

What happened

Miss R's car was hit in the rear when entering a roundabout and so called BISL, who are her broker, to report the accident and claim on her car insurance policy. Rather than dealing with Miss R's claim on her car insurance policy, BISL referred her to its "non-fault service" who I'll refer to as E who handle claims on a credit hire and repair basis.

When Miss R was referred to E her representative queried with E would be responsible for costs associated with credit hire and repair. Miss R said E wasn't clear about who would be responsible for the hire car charges, and so she rejected the hire car. Miss R raised a complaint with BISL. She said she hadn't been given clear information about the hire car costs and there had been a delayed in progressing her claim which left her without a car to use.

BISL reviewed the complaint and upheld it. It said when it had transferred Miss R to E there had been an issue with the transfer which meant Miss R wasn't contacted for nine days. Because of this, BISL offered £75 compensation for the delay when transferring Miss R to E. Unhappy with BISL's response, Miss R referred her complaint here. She said not having a car had resulted in her losing her job and didn't think BISL's compensation was enough.

Our Investigator reviewed the complaint and recommended it be upheld. She found that BISL hadn't given Miss R clear information about her options for getting her car repaired, before being referred to E. She also found the delays in progressing the claim were with E who aren't within the jurisdiction of this service. However, for the poor information given when Miss R initially called to claim she recommended BISL pay an additional £150 compensation, making a total compensation of £225.

BISL responded to our investigator and accepted the outcome. Miss R didn't accept it, she said the poor claim handling has caused her to lose her job and thought £750 compensation was a fairer amount.

As Miss R didn't agree so the complaint has come 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.

Before I address the merits of this complaint, I think it's first important to set out the different

parties involved and BISL's responsibilities, to make clear what I can and cannot look at in this decision.

When Miss R called BISL to report the damage to her car, she was referred to E to handle the claim rather than claiming on her policy. E is an accident management company (AMC) who handle non-fault claims, and when it handled Miss R's claim it was done outside of her insurance policy with her insurer. Also, the actions of E aren't within the jurisdiction of this service. This means in this decision I can only consider the actions of BISL when it referred Miss R to E.

As Miss R's broker, BISL was obliged to provide Miss R with information that was clear, fair and not misleading, in line with its obligations under Principle 7 of the FCA Handbook: Communications with clients (see PRIN 2.1 The Principles) and ICOBS 2.2.2R (Clear, fair and not misleading rule). In the circumstances of this case, this means that when Miss R contacted BISL to tell it about her 'non-fault' claim for damage to her car, BISL ought to have provided her with clear information about her options, so she could decide how best to proceed with her claim.

I've listened to the referral call when BISL referred Miss R to E. While BISL did explain to Miss R that E is a separate company and would be handling her claim. I'm not persuaded BISL provided Miss R with enough information for her to make an informed choice. I say this as BISL didn't explain that by using E, that Miss R would need to enter into a credit agreement with E for the repair of her car and the hire car. Or that there is a possibility she could be held liable for these costs if the third party doesn't pay them. Given this was then questioned with E I'm satisfied this was important to Miss R.

I've therefore considered the impact of the poor referral on Miss R. If she had refused to use E and claim on her policy instead, as Miss R's car was deemed a "total loss" she wouldn't have been entitled to a courtesy car under her car insurance policy. Considering Miss R needed a car I think it's most likely, she still would have used E or at least agreed to discuss E's services with them. And while I understand Miss R didn't receive the service expected from E, I'm unable to hold BISL responsible for E's actions.

BISL has agreed to pay an additional £150 compensation for the poor information given when it referred Miss R to E. I'm satisfied this is fair and reasonable compensation in the circumstances and so I won't be telling BISL to pay more than its agreed. I understand Miss R would like £750, but I'm not persuaded the poor referral by BISL resulted in Miss R losing her job. I say this because if BISL had given Miss R sufficient information, she would either have claimed on her insurance policy, and not received a courtesy car due to her car being a total loss. Or, agreed to be transferred to E and been in the same situation as now. I'm therefore not persuaded BISL's actions when it referred Miss R to E, warrant £750 compensation.

My final decision

For the reasons explained above, my final decision is that I uphold this complaint. I require BISL Limited to pay Miss R an additional £150 compensation for distress and inconvenience, making the total compensation £225.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 12 January 2024.

Alex Newman
Ombudsman

