The complaint

Mrs B complains that Sainsbury's Bank Plc wouldn't assist her with handling her claim made on her motor insurance policy.

What happened

Mrs B took out a policy through Sainsbury's, a broker. When she made a claim, she was disappointed that Sainsbury's referred her to the policy's underwriter. She was also unhappy with how Sainsbury's handled her complaint. Sainsbury's said the policy's underwriter was responsible for handling claims. But it paid Mrs B £25 compensation for how it had responded to her complaint. Mrs B remained unhappy.

Our Investigator didn't recommend that the complaint should be upheld. He thought Mrs B's policy documents made it clear that the underwriter was responsible for handling claims. So he didn't think Sainsbury's had done anything wrong in this. He explained that complaints handling isn't a regulated activity, so he couldn't comment on this part of Mrs B's complaint.

Mrs B replied that she thought that as Sainsbury's customer she could complain about it and the policy's underwriter.

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.

I can understand that Mrs B feels frustrated by the lack of progress with her claim and repairs. I agree with Mrs B that she is entitled to complain about the level of service she receives from Sainsbury's as it provides regulated services. But the scope of her complaints about Sainsbury's are limited to the services it is contractually obliged to provide for her as her broker. I can see that these are set out in her policy documents:

"Our relationship with you and your insurer

Please note that Sainsbury's Bank is acting as an agent of the insurer(s), noted in your Policy Schedule.

Our service includes arranging your insurance cover with insurers to meet your requirements, and helping you with any changes you need to make, such as an amendment to the cover, use or vehicle insured.

We'll also arrange the cancellation of your policy and arrange cover, where it is possible to do so, with an alternative insurer if your requirement to amend your policy isn't acceptable to your original insurer. Additionally, we'll arrange optional additional covers such as legal protection and breakdown requested by you and will arrange the renewal of your insurance."

So Sainsbury's, as a broker, administers Mrs B's policy. But her policy's underwriter is responsible for dealing with any claims.

I can see that Mrs B's Statement of Fact document states clearly who the policy's underwriter is. And it provides contact details for it. Mrs B said she hadn't been able to contact her policy's underwriter about her claim and she thought Sainsbury's, as her broker,

should assist her with this. I can understand Mrs B's frustration. But I can see that Sainsbury's forwarded her complaint to the underwriter. And I can't say that it needs to do more than this. Mrs B said she has also complained directly to the insurer.

Mrs B thought that Sainsbury's was responsible for the insurer's actions and for choosing an insurer that was poorly regarded. But the insurer, and its agents, are separate businesses and so I can't say that Sainsbury's is responsible for their actions. And we can't tell Sainsbury's which insurers it chooses as underwriters as this is its commercial decision. I can see that Mrs B's insurer is regulated, so it is entitled to provide insurance services.

As our Investigator explained, complaints handling per se isn't a regulated activity except where it is integral to another valid complaint. I can see that Mrs B was unhappy with how Sainsbury's administered her complaint about its service. So, as this was specifically about complaint handling, I can't consider this concern further here.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 31 August 2023.

Phillip Berechree
Ombudsman