

## **The complaint**

Mr F complains that Markerstudy Insurance Company Limited referred him to a third-party company when he made a claim on his commercial vehicle insurance policy after an accident.

Reference to Markerstudy, where appropriate, includes its agents.

## **What happened**

Mr F holds a commercial insurance policy with Markerstudy, when his taxi was involved in an accident, he made a claim for the damage and wanted to be kept mobile while his claim was being processed. As part of the claim, Mr F needed to be kept mobile – his taxi was his families main source of income, so he needed a replacement vehicle.

Unbeknown to Mr F, Markerstudy passed him to another company who I'll call X. X arranged a replacement vehicle for Mr F as part of a separate agreement. As part of that agreement, X said if it wasn't able to recover the cost of the hire from the other driver or their insurer, under certain circumstances, Mr F would be liable for the cost of the hire.

X said it wasn't able to recover all the hire costs from the third party or their insurer, so it says Mr F owes it the outstanding balance.

Mr F complains about this. He thought he was claiming on his own insurance policy, so he doesn't think it's fair he's left with outstanding costs. Markerstudy originally said he shouldn't be chased for these costs, but later said this was an error. It offered him £125 for the distress and inconvenience caused by that error.

One of our Investigators looked into Mr F's complaint but didn't recommend it be upheld. She explained she couldn't look into the agreement Mr F held with X because it wasn't within our jurisdiction – so she couldn't comment on whether it was fairly pursuing Mr F for the hire costs.

She explained what she could look at was whether or not Markerstudy had referred him to X fairly. And she didn't think it had. But, she thought that if Markerstudy had done what it needed to, Mr F would have still chosen to use X's services. So, she didn't think Markerstudy's poor referral had contributed to the situation Mr F finds himself in.

Mr F didn't agree and asked 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'm not upholding it. I understand this won't be the answer Mr F was hoping for. I'll explain my reasoning below.

- Like our Investigator explained, we're not able to look into the agreement between

Mr F and X. It's not an activity we have jurisdiction on.

- What we can look at is whether or not Markerstudy made it clear that they were referring Mr F to X, and that the hire car aspect of his claim would be dealt with outside of his policy.
- Markerstudy is entitled to refer its customers to third party businesses. But it needs to be clear in that a) this is what it's doing; b) that it's appropriate to do so and establishes a need from the customer to do so and; c) explains the options to the customer in a clear and balanced way, outlining the benefits and drawbacks of each option.
- In this case Markerstudy didn't do this. I've listened to the call and there's no indication Mr F is being passed to a company who will be acting outside of his policy. X may well have explained that to Mr F itself, but that doesn't absolve Markerstudy of its responsibility to do so.
- But despite Markerstudy's poor referral, I'm satisfied there was a need for Mr F. Under the circumstances, he wasn't entitled to a hire car under his policy, but clearly needed the use of one. And more importantly, I think that were he told everything he needed to be told, i.e. that X was acting outside of his policy and he maybe liable for the hire costs if X wasn't able to recover them under certain circumstances, he'd have still opted to use the services of X.
- I say this because Mr F explained in the call, he was the sole earner in the household, and that his taxi was the main source of income. Also, the circumstances of the incident looked like Mr F wasn't at fault for the accident so I don't think at the time Mr F would have thought that X wouldn't be able to recover the costs from the third party. So, the likelihood of him thinking he'd be liable for the hire car costs would've been slim.
- Weighing up the benefit X's services would have provided Mr F and his need for those services against the risk of him being liable for costs, I think Mr F would have chosen to use X's services, and find himself in the position he now finds himself in anyway.
- Markerstudy's offer of £125 compensation for incorrectly telling Mr F he's not have to pay these costs is fair and reasonable
- Therefore, to clarify, Markerstudy's referral was poor. But I don't think it's contributed to the situation Mr F now finds himself in, so I'm not requiring it to do anything more in this case.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 2 February 2024.

Joe Thornley  
**Ombudsman**