

The complaint

Mrs L has complained about the fact she was referred to an Accident Management Company (ACM) by One Call Insurance Services Limited and ended up being put into credit hire.

What happened

Mrs L had an accident with a third party which wasn't her fault. She called One Call to report the accident and make a claim for the damage to her car on 6 May 2022. The adviser took the details of the accident and the third party and referred her to the ACM. The ACM then arranged a hire car for her on credit. It also assessed the damage to her car and decided it should be treated as a total loss. And it put a claim in for it to the third party's insurer (TPI). There were delays on the claim and the claim wasn't settled until June 2023.

Mrs L complained to One Call. It explained what had happened and why there were problems with the claim against the TPI. And it acknowledged some of the delays were due to a lack of action from the ACM. It took responsibility for this and paid Mrs L £250 in compensation for the distress and inconvenience she'd experienced because of this.

Mrs L wasn't happy with One Call's response and asked us to consider her complaint.

One of our investigators was allocated the complaint and spoke with Mrs L in July 2023. She explained that she'd had the hire car for around three weeks after the accident until she went on holiday. And she then had one from the middle of June after she returned to the middle of July 2022. She has said she was concerned about what it was costing and decided not to continue with one after the middle of July 2022. She also explained that after she returned the hire car, she borrowed her husband's car on some days and used buses on others. Eventually, she bought another car on 0% finance in February 2022. Mrs L also told the investigator that the claim for the hire car was still ongoing and she was anxious about the possibility of having to attend court. She has explained she would have never agreed to be referred to the ACM if she'd realised the full implications.

The investigator issued her view on the complaint in August 2022. In this she explained that she did not consider One Call's agent had been clear enough of the possible implications for Mrs L of going through the ACM and into credit hire. And that she felt if he had explained things properly Mrs L would have decided to claim under her own policy, as opposed to going through the ACM. The investigator said the poor referral had caused a great deal of distress and inconvenience for Mrs L and she felt One Call should pay £600 in compensation for this. She also said One Call should pay £10 a day for Mrs L not having the use of a car from when she gave the hire car back in July 2022 to February 2023 when she purchased a new car.

Mrs L acknowledged receipt of the investigator's view, but didn't provide any further comments on the merits of her complaint. One Call did not respond to the view. So the case was passed to me for a final decision.

I issued a provisional decision on 11 December 2023 in which I set out what I'd provisionally

decided and why as follows:

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've decided to uphold it and award £1,000 in compensation for distress and inconvenience. But I do not intend to award anything for loss of use.

I've listened to the referral call and I agree the adviser did not make the possible implications of going through the ACM and into credit hire clear enough to Mrs L. He didn't highlight the possibility of her having to attend court to support the claim against the TPI or the possibility of there being a large amount for credit hire outstanding for her to pay. In fact, the adviser made it sound like there wouldn't be any issues and the TPI could not dispute liability. This was despite Mrs L mentioning she was concerned about being left with a large debt.

I agree with the investigator that if the adviser had explained things clearly to Mrs L, she would have opted to claim under her own policy instead and pay her excess up front. This is because I am persuaded by her testimony that she would have been concerned about the possibility of having to go to court and having a large debt. And I have no reason to believe that if she had gone through her own insurer her claim wouldn't have been settled quickly and efficiently and she'd have had the money to buy a new car within a month or two.

This does mean that the poor referral by One Call's agent did mean that Mrs L ended up being distressed about the length of time it was taking to settle her claim and was anxious about the possibility of a debt and having to go to court. And I think this distress and inconvenience was significant and warrants a payment of £500 in compensation.

I also have to consider the fact the poor referral left Mrs L without a car to use for much longer than would have been the case if she'd gone through her own insurer. However, I also need to bear in mind that she could use her husband's car on some days; so did have one to use a lot of the time. And I also need to bear in mind that, whilst she did use buses on occasions, I've seen nothing to suggest this cost her more than she would have spent if she'd had her car. So, I think it is more appropriate for me to make an award for the inconvenience to Mrs L of not having her own car, rather than an award for loss of use, which would be aimed at compensating her for the extra costs she incurred as a result of not having a car. So, I've decided to award a further £500 in compensation for the inconvenience, as opposed to £10 per day for loss of use.

I gave both parties until 2 January 2024 to provide further comments and evidence. Mrs L has said she is happy with my provisional decision and has nothing further to add. One Call has not provided any further comments or evidence.

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 Mrs L has nothing further to add and One Call hasn't provided any further comments and evidence, I see no reason to depart from the outcome I set out in my provisional decision.

Putting things right

For the reasons set out in my provisional decision, I've decided to uphold Mrs L's complaint about One Call Insurance Services Limited and make it pay her a total of £1,000 in compensation for distress and inconvenience.

My final decision

I uphold Mrs L's complaint and order One Call Insurance Services Limited to pay Mrs L £1,000 in compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 31 January 2024.

Robert Short
Ombudsman