

Dear Insurer,

We have entered into a contract with our customer to repair their vehicle. Under the provision of the contract the consumer has with yourselves, your contract stipulates that you "promise to indemnify the insured in respect of damages to their vehicle UPTO the market value" and that the customer is by law able to arrange and effect repairs when necessary.

The customer's entitled to choose who's repairs their vehicle, this is covered under the following acts and laws.

Consumer rights directive 1993 where the Office of fair trade, the A.B.I. and what was the Financial Service authority now the FCA agreed in the consumers right of choice.

It is covered in the Consumer rights act 2015.

Consumer protection for unfair trading act 2008

Application part 8 of the Enterprise act for unfair trading regulations 2008

Motor vehicle Block exemption regulations EC1400/2002

Competition act 1998.

2015 Insurance Act also stipulates prior to a contract occurring, the insurer has to make the insured aware that the contract fulfills the demands and needs of the consumer, and any adverse term or condition is brought to the attention of the consumer. This should have no material detriment to the consumer. To advise after the contract has occurred any restriction's in the consumers choice, or advise that you seek to reduce your contractual liabilities is a breach of the act.

As we have no contract with yourselves, we are not in a position to negotiate a clients loss. To do so would be a conflict of interest, the customer is entitled to the full cost of repairs at retail rates. This is covered in Coles v Hetherington [2013] EWCA Civ 1704.

As an insurer, you are regulated by the Financial Conduct Authority, and it is mandatory that you comply with Financial Service and Markets Act 2000.

ICOBS 2.5-1 The customer best interest rule.

## **ICOBS 2.5 Acting honestly, fairly and professionally, exclusion of liability, conditions and warranties**

### **The customer's best interests rule**

ICOBS 2.5-1 **R** 01/10/2018

A firm must act honestly, fairly and professionally in accordance with the best interests of its customer.

[**Note:** article 17(1) of the IDD]

Under these you have to abide by the PRINCIPLES OF BUSINESS (PRIN) and Insurance Conduct of business standards(ICOBS).

Under PRIN , you have to treat the customer fairly,(TCF). Please refer to your compliance office for RPPD.

Under PRIN your duties are:

Customers' interests	A <u>firm</u> must pay due regard to the interests of its <u>customers</u> and treat them fairly
Conflicts of interest	A <u>firm</u> must manage conflicts of interest fairly, both between itself and its <u>customers</u> and between a <u>customer</u> and another <u>client</u> .
Customers: relationships of trust	A <u>firm</u> must take reasonable care to ensure the suitability of its advice and discretionary decisions for any <u>customer</u> who is entitled to rely upon its judgment.

Integrity	A <u>firm</u> must conduct its business with integrity.
Skill, care and diligence	A <u>firm</u> must conduct its business with due skill, care and diligence.

In attempting to negotiate the clients loss as their agent you will be breaching ICOBS8.3.3 Conflicts of interest in the insurer is required to prevent conflicts of interest from constituting or giving rise to a material risk of damage to its clients.

Any Breaches will be reported to the FCA, for which you may be personally liable with penalties by way of fines or upto 3 years in prison.

**Please do not amend this assessment in any way without prior discussion with its author.**

***Amendment of this assessment, without prior discussion, may result in a vehicle being repaired in an unsafe manner. This could result in the vehicle being supplied to a customer in an unroadworthy condition contrary to section 75 of the Road Traffic Act 1988. Please note that by amending this Vehicle Damage Assessment without prior consultation you may cause a criminal offence under the aforementioned statute.***

***If you are unsure as to the content of this Vehicle Damage Assessment then please do not hesitate to contact the author on [insert telephone number].***

***For the avoidance of any doubt [insert company name] is not responsible for and will not accept any liability resulting from the amendment of this Vehicle Damage Assessment without prior discussion and agreement with its author.***

