

The complaint

Mr W is unhappy because Saga Services Limited (Saga) updated his car insurance policy with the incorrect vehicle details meaning his car was uninsured.

What happened

In July 2018, Mr W purchased a car insurance policy sold by brokers, Saga. In September 2018, he changed his car and sent an email to them to ask for the policy to be updated to cover the new car.

As he didn't hear from Saga, he called them. The advisor asked for the registration of the new car, outlined the details of the vehicle and Mr W confirmed the information was correct. The advisor explained the change in the cost of the policy and said the updated policy documents would be sent by email to him.

In April 2019, Mr W was involved in a car accident. When he contacted Saga to report it, he was told his car wasn't insured and another car of a different make and model was covered under his insurance policy.

Mr W complained to Saga. They said they listened to the call when Mr W asked for the new car to be added to the policy and the advisor confirmed the registration number phonetically, and Mr W confirmed it was correct. They also said the updated policy documents were sent to Mr W with the details. However Mr W denied receiving these documents.

Unhappy with their response, Mr W referred the complaint to our service. Our investigator recommended the complaint should be upheld. They said Mr W sent an email in advance with the full details for the new car to be insured and the advisor made reference to it meaning he would've had sight of it during the call. The investigator also mentioned at the start of the call, Mr W said the car was the same model of his previous car but a different year. Overall, they felt the advisor had enough information available to realise they were insuring the incorrect car based on Mr W's email and his comments.

Saga disagreed and reiterated the registration was repeated phonetically and the car details were outlined meaning Mr W had two occasions during the call to make the correction. They said although the advisor would've seen the note about Mr W's email request to change the car, they wouldn't have seen the content of the email.

Since the investigator made his recommendation Mr W has provided us with evidence that he is required to pay for the damage to the third party car that was involved in the accident in April 2019. The amount is over £1,600.

In August 2020, I issued a provisional decision saying I intended to uphold the complaint. I said:

"Updating the car details

Saga's terms of business say if a policyholder wishes to make changes to the policy, they should let them know and a telephone number is provided.

While I accept Mr W sent an email in September 2018 asking for the policy to be updated to cover the new car, I haven't relied on it as it wasn't actioned and I believe it's likely the agent didn't have access to it. Therefore when reviewing this case I've relied on the telephone call between Mr W and Saga's advisor because this is where the change was made to the policy.

I have listened to the call and I can hear Mr W provided the correct registration of the car he wanted to insure however when repeating it back phonetically, the advisor misheard the first digit. The advisor asked Mr W if the details were correct and he agreed. On the understanding the registration was correct, the advisor proceeded to outline the details of the car including the make and model. He said this once to which Mr W asked him to repeat it and Mr W confirmed the details were correct. I consider this to be the advisor's second attempt to verify the car to be insured.

I appreciate mistakes may happen and things may be mis-heard or misunderstood especially when saying or hearing single digits. This is why advisors will often repeat digits back phonetically to avoid mistakes from happening so I believe it was reasonable for the advisor to do so here. The advisor outlined the make and model of the car based on the registration he believed to be correct. This was completely different to the car Mr W wanted to insure. As it was repeated twice and it sounded nothing like Mr W's car, I believe it would've been reasonable for him to realise the advisor was giving the incorrect details and to correct him. Especially as he knew it was the same car model but a different year. I think it was fair for the advisor to rely on Mr W's confirmation of both pieces of information he had obtained to be correct. Therefore I can't so the advisor did anything wrong.

Policy documents

At the end of the call, the advisor told Mr W that the updated policy documents would be sent to him by email. These documents outlined the details of the car insured and Mr W's policy. I've seen a copy of these documents including the insurance schedule and I can see the car is not the one Mr W wanted to insure. The documents said if anything was incorrect, Mr W should let them know immediately. Mr W said he never received this.

Saga has provided evidence which shows these policy documents were sent to Mr W's online customer portal on the same day as the telephone call when the change was made. Given the email address is the same one Mr W used to initially send an email to request the change of vehicle, I'm satisfied Saga had the correct email address and they sent these documents to him. So I think it's most likely Mr W had access to the documents and it would've been reasonable for him to check the details.

I know Mr W also said he believed Saga had his incorrect postal address but based on Saga's system notes, I am satisfied they did have his correct address at the time of making the change to the policy.

Premiums paid

Saga said they won't be refunding the premiums Mr W paid. However as the incorrect car was insured under the policy, Mr W couldn't have benefited from it meaning he was not on risk for Saga. Therefore I believe they should treat this as if Mr W had cancelled the policy from the time he made the change in September 2018 and refund him the premiums paid since that date. This means as it would be considered there was no policy in place, Saga will

not be responsible for settling the claim following the accident with Mr W's car and he would be responsible for any costs to the third party.

Summary

Overall, I can't reasonably agree Saga done anything wrong when insuring the car. They asked Mr W to confirm whether they had the correct details and he provided his confirmation on at least two separate occasions. They also sent him policy documents and invited him to let them know them if anything was incorrect. These are the actions I would expect to happen following an amendment to a policy so I believe Saga has acted fairly. However as the incorrect car was insured, Mr W couldn't have benefited from the policy meaning it posed no risk to Saga so the policy should be treated as if Mr W cancelled it and he should be refunded the premiums paid since that date.

I appreciate my provisional decision may disappoint Mr W but in light of the above, it wouldn't be fair to ask Saga to pay for the damages caused to the third party's car as a result of the accident in April 2019".

Response to my provisional findings

Both parties were invited to respond to my provisional decision. Mr W said he had a hearing inflection and he accepted there may have been a misunderstanding between him and the advisor concerning the car's registration. He also questioned when reporting the accident, why the advisor told him the address he gave was different to that held on the policy. He said he believed this was the reason why he never received the policy documents. I arranged for a copy of the policy documents and a screenshot of Saga's internal systems, which outlines when they were sent and by what means, to be sent to Mr W for his consideration. He provided no further comments.

Saga accepted my provisional decision and said they would refund Mr W the premiums from when the policy was amended (12 September 2018) to when it was cancelled (26 May 2019).

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 thank Mr W for his comments and I appreciate he has a hearing inflection. However there is no indication Saga's advisor was aware of this at the start of the call and there was more than one opportunity for Mr W to correct the details about the registration and the make and model of the car. So I can't say Saga did anything wrong. Also I'm satisfied the policy documents were sent to him following the changes to the policy and they held Mr W's correct email and postal address. Therefore, I've reached the same outcome as my provisional decision and for the same reasons.

My final decision

For the reasons set out above, I've decided to uphold Mr W's complaint.

To put things right, Saga Services Limited should:

- Treat Mr W's policy as being cancelled by him from the date the policy was amended in September 2018; and

- Refund Mr W the premiums paid since this date.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 26 October 2020.

Simona Charles
Ombudsman