

The complaint

Mr N has complained that Atlanta1 Insurance Services Limited, trading as Autonet Insurance Group ('Autonet') didn't assist following discovery of an error on his motor insurance policy.

What happened

Mr N took out motor insurance cover in April 2020 through a price comparison website. Autonet acted as an intermediary between Mr N and the insurance underwriter in taking out a motor insurance policy. In March 2021, Mr N was stopped by the police as they'd identified the car as being driven without valid insurance. This happened because the registration number on the insurance policy was incorrect by one digit. As a result, the police read Mr N's rights and the car was impounded. Mr N considered this unpleasant experience to be due to Autonet's error and he made a complaint to Autonet.

Autonet didn't agree with Mr N and didn't uphold his complaint. It said that Mr N had entered the registration number manually on the comparison website when he was seeking insurance cover and that the policy was approved using the details entered online. Autonet contacted the underwriter and it provided a letter of indemnity to confirm that cover was in place on the vehicle and accepted it was a genuine, unintentional error. It also issued revised documents to Mr N with the correct registration number included to enable Mr N to secure the release of his vehicle.

Mr N then referred his complaint to our service as he wasn't happy with Autonet's response. He wanted Autonet to cover the £170 he had to pay to retrieve his car after it was impounded. He also wanted it to pay compensation for the distress and inconvenience caused.

Our investigator noted that something clearly did go wrong, and the policy was set up using the incorrect registration details. She didn't think that Autonet had acted in an unfair or unreasonable manner however in setting up the policy, and didn't think that the onus was on Autonet to review the details and make sure they were correct. She appreciated that Mr N didn't notice the error until after he'd been stopped by the police, however she thought this wasn't something she could fairly hold Autonet responsible for.

Mr N remains unhappy with the outcome of his complaint and the matter has been referred to me to make a final decision in my role as Ombudsman.

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.

The question for me to decide is whether Autonet acted fairly and reasonably in dealing with Mr N's concerns in the context of the distressing events which Mr N experienced in March 2021. I've concluded that it did. I'll explain why.

In deciding whether Autonet acted fairly and reasonably, I must carefully consider the relevant documents. Autonet's terms of business under paragraph 13, headed 'Your Responsibilities' state:

'You are responsible for providing the complete and accurate information which insurers require in connection with any proposal for insurance cover. This is particularly important before taking out a policy and at renewal, but it also applies throughout the life of a policy. Please take reasonable care to answer all the questions honestly and to the best of your knowledge. If you don't or misrepresent any fact which may influence the insurer's decision to accept the risk or the terms offered, your policy may be cancelled, or treated as if it never existed, or your claim rejected or not fully paid.'

The welcome letter to Mr N included the following: -

'It is important that you check the enclosed statement of fact/proposal form very carefully and let us know if any of these details are incorrect. Incorrect information could result in your policy being cancelled at a later date, a claim being rejected or not paid in full, or your policy being declared void.'

The statement of facts also included the following:

'The following details directly affect your insurance. Please check them carefully and inform Atlanta1 Ins Services Ltd if any of the information provided is incorrect or has changed'.

Autonet said that it contacted the price comparison website company which said that Mr N had entered the car make, model and registration number manually when he obtained his quote. Autonet stated that it therefore acted on the information which Mr N provided and didn't consider it had made an error when setting up Mr Neve's policy.

Autinet also said it had provided Mr N with full documentation and had requested that he check to make sure that all of the information was correct:- *'As we acted on the information which you provided and have sent you documentation confirming the details we held on your policy I have been unable to identify that we have acted incorrectly, and I have therefore been unable to uphold your complaint. Due to this we are unable to cover the costs you have incurred due to your vehicle being impounded or offer any compensation for the distress and inconvenience caused.'*

Mr N explained how the police had read his rights and treated him like a criminal for driving without insurance. He felt that the error was that of Autonet by arranging insurance under an incorrect registration. Mr N didn't think it was possible to enter the registration number incorrectly online, particularly as the incorrect number belonged to a car of a different make. He said that despite the wrong registration being entered, the documents showed the correct car and the premium was paid every month.

Mr N said that the Autonet representative had agreed on the phone that, as the consumer has to confirm his registration number, that the error must have been some 'glitch' in their system. He also queried the wording of the indemnity letter, as it stated that an error had been made at the point of inception and that it was not clear when or by whom. Mr N said that the representative had reassured him that he would be left *'in the same financial position'* as before the incident. He said that *'now they are backtracking'*.

Having looked at all the evidence relating to this matter, I'm satisfied on the balance of probabilities that Autonet arranged Mr N's policy based on information that was provided to it. The comparison website company confirmed in writing that Mr N had according to its records entered the car details manually.

Once documents were issued, Autinet's terms and conditions do also make it clear that it was Mr N's responsibility to make sure that the information provided was correct. They also made it clear that this was an important matter. Mr N therefore did have an opportunity and obligation to check and correct details if necessary.

In the circumstances a range of documents, including the welcome letter, statement of facts, certificate of insurance and the policy schedule, all made it very clear that it was Mr N's responsibility to make sure that all his details were correct and accurate. I agree with our investigator that it would have been reasonable to have expected Mr N to have checked these documents, particularly as the incident didn't occur until eleven months into the policy term.

In conclusion, I can't say that Autonet acted unfairly or unreasonably in setting up the policy. I'm also satisfied that Autonet acted fairly and reasonably in contacting Mr N's underwriter and ensuring that a letter of indemnity and amended policy was sent to Mr N rapidly. I also note that as soon as the error was discovered, Autonet amended the policy, so I think Autonet acted fairly and reasonably in responding to and dealing with the issue.

I appreciate that being stopped by the police and having his car impounded must have been an extremely distressing experience for Mr N and I sympathise with him. I cannot however place the responsibility for this event at Autonet's door.

My final decision

For the reasons given above, I don't intend to uphold Mr N's complaint and I don't require Atlanta1 Insurance Services Limited to do anything else in this regard.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 8 March 2022.

Claire Jones
Ombudsman