

The complaint

Mr A has complained that Berkshire Hathaway International Insurance Ltd (BHIL) incorrectly recorded a driving incident on a shared insurance database. He said that is unfairly causing his motor insurance premiums to rise.

BHIL's motor policy is branded in the name of another company, an insurance intermediary (broker) which also administers the policy on BHIL's behalf. So, although all of Mr A's correspondence has been with the intermediary, as it administers the policy on BHIL's behalf and has its authority to respond to complaints for it, I'll only refer to BHIL in this decision.

What happened

Mr A was insured with BHIL in 2020. He was involved in a minor accident with another driver. Neither he nor the other driver intended to claim on their policies. But, as his policy required him to do, Mr A told BHIL about the accident but said he was doing so for its notification purposes only. BHIL then contacted Mr A about arranging repairs and supplying a courtesy car. Mr A told BHIL again that he didn't want to make a claim.

In 2021 Mr A took out a new policy with a different insurer. After he'd done so the new insurer contacted him and told him it had learned, from a shared insurance database, about driving incidents he'd been involved in. And, as a result, it said it would charge him an additional premium. One of those incidents was the accident Mr A had told BHIL he didn't wish to claim for in 2020. The new insurer said that if BHIL removed the record of the 2020 incident from the shared database it wouldn't charge him the additional premium.

Mr A contacted BHIL. It eventually confirmed that it had recorded the incident as *notification only* on the shared database. It also confirmed the incident hadn't affected Mr A's no claims discount. BHIL told Mr A it had correctly recorded the incident and it didn't intend to remove the record.

Mr A wasn't satisfied and brought his complaint to us. One of our investigators looked into it. She didn't think BHIL had dealt with Mr A fairly, as it had initially dealt with the incident as a claim. So she said it should pay Mr A £150 compensation for his distress and inconvenience because of that. But she said BHIL had correctly recorded the incident on the shared database as notification only.

BHIL accepted the investigator's assessment of the complaint and paid Mr A £150 compensation.

Mr A remained unhappy so his complaint's been passed to me to decide.

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 going to instruct BHIL to take any further action.

Neither Mr A nor the other driver made a claim for the 2020 accident. And Mr A told BHIL about the incident for its information purposes alone. As a result, he thinks BHIL was wrong to make any record of that accident on the shared database. And because it did so his new insurer has charged him an additional premium. Mr A doesn't think that was fair. So I've thought carefully about whether or not BHIL did anything wrong and if it needs to do anything else to put things right.

It might help if I explain that most motor insurers in the UK use a shared industry database for recording driving claims and incidents. The insurers which use that database are under an obligation to record all driving incident they become aware of, no matter how minor, that could lead to a claim. That's the case even if no claim is made. And, where that happens, insurers record the incident on the database as notification only.

In this case it's not in dispute that an accident happened. Similarly, it's not disputed that neither party made a claim. But an incident did happen and BHIL was aware of it. So it had a duty to record it on the shared database.

Initially, BHIL made a mistake and started the ball rolling to deal with the incident as a claim. But it's since confirmed that it's put things right and shown Mr A that the incident is correctly recorded on the shared database as notification only. That's what it was supposed to have done from the outset.

Mr A said he told BHIL that he was informing it of the incident for its information alone. So he doesn't think it should have added it to the database. But, regardless of what he said to BHIL, once it became aware of the incident BHIL was required to record it on the database, even if Mr A didn't want it to. So I don't think BHIL did anything wrong in refusing to remove the notification only record from the shared insurance database as it had correctly added it.

Further, in response to our investigator's assessment of the complaint, BHIL has acknowledged its initial mistake when dealing with the incident and paid Mr A £150 compensation to address the impact of that. I think that's a reasonable response in the circumstances.

My final decision

As BHIL has already paid reasonable compensation for the impact of its initial error in dealing with the incident, I'm not going to instruct it to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 March 2022.

Joe Scott
Ombudsman