

The complaint

Mr M complains that Atlanta 1 Insurance Services Limited (trading as Autonet Insurance Group) (Autonet) caused him distress and inconvenience by renewing his commercial motor insurance policy on the wrong vehicle in error.

What happened

Mr M had taken out insurance on his van through Autonet in October 2019. In September 2020, Mr M says he sold his old van and bought a new one. He says on 17 September 2020, he got a renewal invitation from Autonet, which was for his old van. He says on 18 September 2020 he notified Autonet that he'd bought the new van and Autonet told him his new van was covered, with a reduced policy premium.

A few months later, Mr M says he got a letter from the Motor Insurance Bureau (MIB) saying there was no record on the Motor Insurance Database of any insurance on his new van and he faced potential penalties if he ignored the letter. Mr M got in touch with Autonet, who said it had renewed his policy on his old van, rather than his new one, in error.

When Mr M complained to Autonet about what had happened, it upheld his complaint. It said:

- If Mr M had made a claim or been stopped by the police for not having valid insurance, he wouldn't have been left in a position where he couldn't claim or was facing prosecution for being uninsured.
- It would cancel the policy that had been incorrectly set up and arrange a new one for the new van.
- It would pay Mr M £100 in compensation for the distress and inconvenience it had caused him.

Unhappy with this outcome, Mr M brought his complaint to us. Before our investigator started to look into Mr M's complaint, Autonet made Mr M a new settlement offer. It said it would:

- Pay Mr M £54.61 so he was fully reimbursed for the policy premium instalments he'd paid on the policy that had been set up in error (it had previously only sent him a partial refund).
- Pay Mr M £38.28 to refund him the cost of the temporary insurance he had to put in place before the new policy was set up.
- Pay Mr M compensation of £350.00 in total in recognition of its error.
- Pay Mr M any other costs he'd incurred because of its error, as long as it got proof of these.

Autonet also said if Mr M had been involved in an incident in the period for which he was uninsured on his new van because of its error, it would look at this under the terms of the policy Mr M expected to be in force, which included retrospective cover for any third party damage.

Mr M didn't accept Autonet's offer. He didn't think £350 accurately reflected the distress and inconvenience Autonet's error had caused him. So our investigator looked into Mr M's

complaint. And our investigator's view was that Autonet's total compensation offer of £350 for the distress and inconvenience Mr M had suffered was fair and reasonable and in line with what we would recommend.

Mr M doesn't agree Autonet's compensation offer is reflective of the distress and inconvenience he suffered. Nor does he think it's consistent with the guidance and examples given on our website. So Mr M's complaint has come 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.

Autonet has acknowledged its error in insuring the wrong van and has agreed to pay Mr M the premium refunds I've referred to. So these things aren't in dispute. What is in dispute, though, is the impact Autonet's error has had on Mr M.

Having looked at everything, I've decided Autonet's most recent offer of £350 for the distress and inconvenience its error caused Mr M is fair and reasonable. I'll explain why.

Mr M says he was shocked to get the letter from the MIB. He says he was especially shocked because, a few years earlier, another insurer had made a similar error. Mr M says this earlier error had led to him getting a conviction for driving without insurance and six points on his driving licence – and he says he also had to re-take his driving test. He says the MIB letter brought back *"difficult memories of the helplessness I felt being convicted for something that was an insurer's admin error"*.

Mr M thinks an award of compensation of between £750 and £1,500 is fair and reasonable because he suffered substantial distress, worry and upset with *"feelings and pain that were rekindled when he found he was uninsured again"*. Through his representative he says he felt *"severe distress knowing it had happened again"* and about *"how close he came to being convicted again through no fault of his own"*.

Mr M says he also had to take his son home the weekend he found out about Autonet's error (a 60-mile round trip) and needed his van for work at 7am on the following Monday morning. Autonet wasn't able to set up a new policy for him over the weekend and so, on top of everything else, he had to arrange temporary insurance cover. He says this was also distressing and inconvenient.

Autonet's error has clearly caused Mr M considerable distress and inconvenience. For anyone to find out they've been driving uninsured for a number of months through no fault of their own will be upsetting. Because of Mr M's previous experience, with history seeming to repeat itself, I can understand why his feelings of distress were heightened. And Mr M also had the inconvenience of arranging temporary cover because Autonet couldn't set up a new policy for him immediately.

But alongside this, I also have to take into account that the distress and inconvenience Mr M experienced, while acute, was quite short-lived. A new policy was set up within a couple of days of Mr M contacting Autonet about its error, and he got temporary cover put in place over the weekend. And although this experience brought back painful memories for Mr M, history *hadn't* repeated itself here – he hadn't been stopped by the police for driving without insurance, he didn't have to go to court and he didn't have any points added to his driving licence. Nor has Mr M had to make a claim on his policy for the period in which he was uninsured. And Autonet subsequently reassured Mr M that, if he'd made a claim or been

stopped by the police, he wouldn't have been left in a position where, because of its error, he couldn't claim under the policy or faced prosecution for not having insurance.

Also, Autonet says it sent Mr M a welcome pack for his new insurance on 18 September 2020 (he says he'd previously got a renewal invitation on 17 September). A demands and needs statement included in the pack I've seen shows the insured vehicle as being Mr M's old van, not the new one. I'm not sure of the sequence of events here. But if these documents were sent to Mr M *after* he'd notified Autonet that he wanted his new van insured, I think it's possible he could've spotted Autonet's error if he'd checked the documents he was sent carefully – meaning Autonet's error could've been corrected sooner.

But regardless of this last point, I think Autonet's error caused Mr M considerable distress and inconvenience, as I've described. And I think this will have had a serious but fairly short-term impact on Mr M. On this basis, Autonet's offer of compensation of £350 is fair and reasonable and is in line with what we'd expect it to offer in the circumstances of this case.

My final decision

The offer that Atlanta 1 Insurance Services Limited (trading as Autonet Insurance Group) has made Mr M is fair and reasonable and I direct that it should:

- Pay Mr M £350 in compensation for the distress and inconvenience it has caused him.
- Pay Mr M £54.61 to reimburse him fully for the policy premiums he's paid on the policy that was set up in error.
- Pay Mr M £38.28 to reimburse him for the cost of the temporary insurance he had to put in place.

Atlanta 1 Insurance Services Limited (trading as Autonet Insurance Group) must pay the compensation within 28 days of the date on which we tell it Mr M accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.*

**If Atlanta 1 Insurance Services Limited (trading as Autonet Insurance Group) considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M how much it's taken off. It should also give Mr M a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.*

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 April 2022.

Jane Gallacher

Ombudsman