

The complaint

Mr G has complained to this service about esure Insurance Limited (Esure) because he said Esure allowed someone else to use his personal details to set up a policy in his name, on which it dealt with claims, before cancelling it and demanding Mr G pay over £900 of outstanding premiums.

What happened

In November 2020 Esure was contacted by the police. They had stopped a car (registration beginning "FX") being driven by someone named as a temporary driver on a policy ending "167" in Mr G's name. The police had wanted to notify Esure that the driver they had stopped had said he had paid Mr G £700 to hire the car for a month. Esure further noted that a number of different temporary named drivers had been added to the policy in the course of its term. And that two claims had been made and settled, which had been logged, as normal, on the industry databases. But it now felt that the policyholder might not be using the policy in the way agreed (as it doesn't permit hire) so cancelled the cover, demanding all outstanding premiums were paid. Esure sent correspondence to this effect to the contact address registered.

In December 2020, Mr G was looking to renew a policy he had for a car with a registration beginning "CV". He was told there was a cancelled policy and previous claims in his name registered on a policy with Esure at his previous address. He called Esure to enquire but couldn't answer the security questions as his email and mobile phone number were different to the ones registered on the policy. Mr G said the policy must be fraudulent and he wanted the claim and cancellation records logged against him amending. At some point Mr G had debt collection agents contact him at his current address, demanding payment of over £900 in outstanding premiums. Mr G was unhappy about this too as he said he had never arranged this cover or had any benefit from it. Regarding the "FX" car he said he had never owned it.

Esure did not believe the policy had been set up by anyone other than Mr G. It felt it had acted reasonably in cancelling the policy – and that, along with the previous two settled claims, had precipitated the reasonable request for the remaining premium to be paid. Mr G complained to us.

Our investigator felt that Esure hadn't done enough to show Mr G's concerns were unfounded. So he thought it should amend the policy and claims record, stop chasing Mr G for the remaining premium as well as removing its record from his credit file and pay him £300 compensation.

Esure felt that was unfair, whilst Mr G was satisfied by the outcome. As no agreement could be reached, the complaint was passed to me for an ombudsman's consideration.

I was also minded to uphold it. But I wasn't persuaded Esure should pay compensation, and I noted it wouldn't be able to amend Mr G's credit file. So I issued a provisional decision to let both parties know what I felt Esure should do. Both Mr G and Esure said they accepted my provisional decision.

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 said provisionally:

"This service acts as an informal dispute resolution provider. So we consider what has happened, if anything has gone wrong (which caused the policyholder to complain), and, if so, what the respondent business must do to put things right. In the course of considering what happened we will sometimes note that a failure by a business has resulted in the policyholder suffering distress and inconvenience. And where that is the case we will often make the business pay compensation to make up for the upset caused. But we can only do that in respect of the activity which occurred prior to the complaint being made. If a business fails a complainant whilst considering their complaint, or doesn't provide a suitable response to it, we can't award compensation for resultant upset caused. That is because how a business handles a complaint is not a regulated activity covered by the jurisdiction of this service. But if we think the complaint outcome reached by the business is unfair and unreasonable, we can and will make it change it.

Mr G says he did not contact Esure before December 2020 – that this wasn't a policy he had set up. So, effectively, his first call to Esure was to complain to it that it had incorrectly logged claims and a cancellation against his name. Therefore, only if Esure failed Mr G by knowingly setting up an incorrect policy, or unfairly logging policy claims, or unreasonably cancelling the policy, can I look at awarding compensation to Mr G. Those events caused Mr G's complaint. So I'll look at them in a moment. But I also know that Esure's debt collection activity upset Mr G as well. Mr G feels the activity could have been avoided, if Esure had accepted his concerns about the policy not being in his name. But, unless the policy cancellation was unfair, I can't take Mr G's upset in this respect into account. That's because if Mr G was caused upset because Esure didn't handle his complaint in the way he might have liked, that is not, as I've explained, something I can look at. But if the cancellation which generated the need for debt collection activity was unfair or unreasonable, then I can take the upset which flowed from that failure into account.

When an insurer sets up a policy it is entitled to take the information given to it at face value. It doesn't have to interrogate that information in order to verify it. From what I have seen Esure set up a policy based on details it had been given and, during later calls made to it linked to that policy, adequate security checks were completed to make sure it was talking to the policyholder. I think, from hearing some calls, and hearing Mr G speak to our investigator, it is most likely Esure had not spoken to Mr G at all until he called it in December 2020. Rather it seems that someone pretending to be Mr G was calling Esure – their voice and Mr G's sound different and each have called from different numbers. But I don't think, until Mr G called it in December 2020, complaining that a policy had been set up in his name, that Esure had any cause to think it was or had been dealing with anyone but Mr G. I haven't seen anything that makes me think it knowingly allowed an incorrectly set up policy to be put in place, or to persist. I don't think Esure failed Mr G in this respect.

In November 2020 the police passed to Esure what I think is material information key to the risk Esure thought it was offering cover for. In short, that the policy in place wasn't being used in the way agreed because it was being used for hire. So Esure was providing cover for a car being used in a way it hadn't agreed to. I think that gave Esure reasonable cause to cancel the policy. I don't think Esure failed Mr G in this respect. As the debt collection activity, which I know upset Mr G, stemmed from a reasonable cancellation, I don't think Esure failed him in this respect either.

The difficulty for Esure, in my view, comes from the outcome it reached to Mr G's complaint – that his policy was not his. I don't think Esure did enough to satisfy and assuage Mr G's reasonable concerns made in this respect. So I think the outcome must change.

Mr G says he didn't arrange this cover. He said he had never called Esure (before December 2020), that he hadn't lived at the policy address since before the policy was arranged and that he didn't own the car subject of the policy. Esure has not been able to show that Mr G – identifiable by his distinctive voice – had called it from his mobile number about the policy in question – or in respect of the car in question. The only calls I have heard, with Mr G's distinct voice, from his mobile number, are in relation to a different policy and car. Regarding the policy address, even though Mr G has shown that he began living at another property in autumn 2019, Esure has not shown that he remained linked to the policy address. Perhaps by having checked the electoral register, for example. In respect of the car, Esure has shown a DVLA report which shows Mr G is or was the registered keeper of the "FX" car. Although the date he is logged as becoming the registered keeper is unclear. But the registered keeper details don't show that Mr G completed this record, or that he owned the car. I think it is perfectly possible for someone – perhaps the person with the other mobile number and who called Esure purporting to Mr G – to have set this policy up.

In short Esure hasn't satisfied me that it is fair for it to retain a claim and cancellation record against Mr G, or to chase him for the remaining premium due. So I think it fairly has to amend those records on its own or any of its agent's or industry databases and reasonably must stop chasing Mr G for payment. It should also write a letter for Mr G to use for any credit reference companies in case his records have been affected by the debt being logged incorrectly against him. But, as I said above, I won't be awarding Mr G compensation because Esure only failed him in respect of not providing a fair and reasonable outcome to his complaint."

As both parties have accepted my provisional decision, I've no need to change anything. Therefore, my provisional findings now form the findings of this, my final decision.

Putting things right

I require Esure to:

- Remove and/or amend any record of the policy and claims, so none are attributed to Mr G on its own or any industry database.
- Cease chasing Mr G for any outstanding premium, making sure that the amount is not linked to his name/details on either its own system or any of its agents'.
- Write a letter for Mr G which he can present to any credit reference agency should he need to, to explain any debt related to the policy ending "167" is not his debt.

My final decision

I uphold this complaint. I require esure Insurance Limited to provide the redress set out above at "*putting things right*".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 April 2022.

Fiona Robinson
Ombudsman