

The complaint

Miss B is complaining that Acorn Insurance & Financial Services Ltd told her it had processed a request she'd made to change the car insured under her car insurance policy but it didn't do so.

What happened

Miss B took out a car insurance policy through Acorn – a broker. In April 2021 she emailed Acorn to ask to change the car on her policy. She says she received an email from Acorn saying it had carried out the change, so she continued to drive her new car. However, she was later stopped by the police for driving without insurance and ultimately her car was impounded. She contacted Acorn who told her the change in car hadn't been done. The police ultimately scrapped her car because Miss B was unable to pay the release fee.

Miss B complained to Acorn that it had told her it had changed her car after she emailed it to do so, but it hadn't done so. Acorn didn't uphold her complaint as it said it hadn't told her the change had been done and it said it had later emailed her to ask that she call if she wasn't able to do it online. It said the initial email it sent Miss B that she was referring to was a holding email.

I wrote to both parties saying I intended to uphold this complaint and I said the following:

"While I accept the initial email it sent her was a holding email, I think it does set out that the change had been actioned as it said the following:

"If you have requested a change of vehicle with immediate cover, this is currently in place and you can drive your new vehicle straight away. If you have only requested a quote, then this will be sent out to you in the next 48 hours. Please note that any change in vehicle may take up to 5 working days to show on the MID, but you are insured during this time."

Miss B asked to process a change of vehicle – she didn't ask for a quote. So I think it was fair for her to conclude from this email that she was insured to drive the replacement vehicle. And I think Acorn has misled her.

I acknowledge Acorn then subsequently emailed her asking her to call. But I don't think the wording of this email is clear either. It said:

"If you would like to make a change on your policy but are unable to access the online system please call us on 01704339000 and one of our agents will be able to provide you with a quote and confirm the details."

I need to think whether the content of this email is enough for me to think Miss B should have stopped driving the car and immediately called. Miss B has told us she had difficulties accessing the online system, but she was clearly told the change had gone through. I don't think there is anything in the email Acorn sent on 9 April for her to think she needed to disregard the initial email. It doesn't say the change hasn't gone through or say she wasn't insured to drive the new car. So, I don't think there was any reason for her to recognise she

wasn't insured on the new car as she had been told the change had gone through. And this has ultimately resulted in her being stopped for driving without insurance and her car being impounded.

I note Acorn offered to provide her with a letter of indemnity. This would have helped Miss B with any forthcoming prosecution, but Acorn sent it to the wrong email address on two occasions. Ultimately, Miss B's car was disposed of by the police before Miss B received the letter of indemnity.

Taking everything into consideration, I think Acorn did treat Miss B unfairly and is responsible for her driving while uninsured. I also think it should have taken steps to prevent the car from being disposed of, but its further errors have resulted in the loss of the car. I think Acorn is liable for this loss.

Ultimately, I'm minded to uphold this complaint and require Acorn to do the following:

- 1. Pay Miss B the car's market value based on its value at the time she was stopped for driving without insurance;*
- 2. Pay 8% simple interest on this payment from the date the car was impounded until it issues settlement; and*
- 3. Pay Miss B £750 for the distress and inconvenience for being stopped and taken to the police station for driving without insurance, the threat of being prosecuted for driving without insurance and for the loss of her car."*

Acorn responded to accept my initial findings but said it would pay Miss B £500 for the car because that's what she initially valued it at. Miss B didn't think £500 was a fair reflection of the car's market value.

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.

Given neither party has given me anything to think about regarding what I said about Acorn's actions regarding the change of vehicle, I see no reason to reach a different conclusion to what I reached before. So I uphold this complaint for the reasons I set out above.

However, I don't think £500 is a fair valuation of Miss B's vehicle. I recognise Acorn says this is what was declared as the car's market value, but I don't think it's an accurate reflection of the loss that she's suffered. It's standard practice for the industry to use valuation guides to work out the estimated market value of a car. I've reviewed the valuations the guides give for Miss B's car and this gives a range between £1,370 and £1,410. So I think a fairer valuation of the car's market value is £1,390.

My final decision

For the reasons I've set out above, it's my final decision that I require Acorn Insurance & Financial Services Ltd to pay Miss B £1,390 for the loss of her car. I also require it to pay her £750 in compensation to reflect the distress and inconvenience she's suffered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 27 April 2022.

Guy Mitchell
Ombudsman