

The complaint

Mr A complains about the advice he was given by Well Dunn Limited trading as Insurance Revolution Broking Services (Well Dunn) during a claim he made on his commercial vehicle insurance policy. He also complains it unfairly passed an outstanding balance to a debt collector.

Reference to Well Dunn includes its agents.

What happened

Mr A held a commercial vehicle insurance policy administered by Well Dunn. His vehicle was stolen, and he made a claim which was dealt with by insurer.

Mr A called Well Dunn to see if he could add a replacement vehicle on to the policy. He was told this would be possible.

Mr A then found another vehicle and paid a deposit to secure the purchase of it. He called Well Dunn to let it know, add it to the policy and see if any additional premium would be due. But Well Dunn said the vehicle Mr A wanted to insure wasn't acceptable to the insurer and couldn't be added to the policy.

Mr A wasn't happy with this and asked why he wasn't told about any limits or restriction on what type of vehicle could be added when he asked if one could be added to the policy. And he said when he later asked about another vehicle, the vehicle had been sold by the time Well Dunn got back to him. Mr A said his employer couldn't wait for him to get a new vehicle, and as a result he lost his job.

Mr A complained further when he found that there was an outstanding balance on his policy that had been sold to a debt collection agency without him knowing.

Well Dunn said it should have made it clearer to Mr A that not every vehicle could be added to the policy, but it said ultimately that is the insurer's decision. It said all it can do is ask the insurer whether it will consider adding the new vehicle to the policy, which it felt it did. Well Dunn said it should have called Mr A to let him know his debt was being passed on to debt collectors. But it said it did email him several times to inform him. Well Dunn offered £100 compensation.

Mr A didn't think this was enough and brought his complaint to us. Our investigator thought Well Dunn should increase its offer to £200 compensation.

Well Dunn didn't agree, nor did Mr A. So, the case has come to me to issue a decision on.

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 partly upholding this complaint. I know this answer won't be what either

Well Dunn or Mr A were hoping for. I'll explain my reasoning.

In this case, there are two key, widely accepted errors. The first being that Well Dunn didn't clearly let Mr A know that his choice of replacement vehicle may not be able to be added to the policy. The second is not informing Mr A over the phone that his debt would be passed to a debt collector.

As both these errors are accepted, I see no benefit in discussing how they were made. The key point is the impact of these errors.

Mr A should have been told that there was a *chance* a replacement vehicle *may not* have been able to be added to his policy. I don't think Well Dunn needed to tell him all the parameters of what vehicles can be added to the policy, as ultimately, as it's pointed out, that decision lies with the underwriter of the policy. But, I think had Well Dunn told Mr A there was a chance the vehicle may not have been acceptable to the insurer, he likely wouldn't have paid a deposit on a vehicle he intended to purchase without first knowing it could be added to the policy. Luckily Mr A got this deposit back this time. But he's said this took a lot of work and that he was thankful of the proposed seller's generosity.

I know Mr A holds Well Dunn responsible for him losing his job, but I don't think I can fairly do the same. Mr A called to ask about replacing the vehicle on the policy on 18 February, he was told on 21 February that his chosen vehicle wasn't accepted by the insurer. On 23 February Mr A was told the age the vehicle needs to be in order to be accepted. I appreciate that Mr A has said he then had to chase to see if a second vehicle was accepted, and by the time he got an answer that vehicle had been sold to someone else. By 26 February Mr A said his employer wasn't able to keep his job open for him. But I don't consider the delays in letting Mr A know unreasonable, nor do I think it's fair to hold it accountable for the vehicle being sold, or Mr A's employer deciding to let him go within that timeframe.

In relation to passing the debt on, Well Dunn has acknowledged it should have called Mr A to tell him his debt would be passed on. But I can see that it did email Mr A several times letting him know he had an outstanding balance, that he needed to call them, and that if he didn't, the debt would be passed on. The debt was recalled when the complaint was raised, and Well Dunn has confirmed this won't affect Mr A's credit rating.

Putting things right

Well Dunn has offered £100 compensation to Mr A to put this right. But like our investigator I don't think this is enough in this case. I think a figure of £200 is fairer. I acknowledge Well Dunn emailed Mr A to let him know his debt would be passed on if he didn't pay it, but it's acknowledged it should have called him. And not doing so would have caused a degree of distress when Mr A found out.

In addition, had Mr A been correctly informed of the possibility his choice of replacement vehicle *may not* have been accepted by the insurer, it think it's unlikely he'd have paid a deposit for a vehicle without first knowing he'd be able to add it to his policy. Luckily, he got this deposit back, but this too would have caused Mr A distress in thinking he'd lost that deposit, and inconvenience in trying to get it back from the seller.

My final decision

For the reasons set out above, I partly uphold this complaint and require Well Dunn Limited trading as Insurance Revolution Broking Services to:

- Pay Mr A an additional £100 compensation – taking the total amount paid to £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 June 2022.

Joe Thornley
Ombudsman