

The complaint

Mr E has complained that Great Lakes Insurance SE (Great Lakes) refused a claim that he made on his mechanical breakdown insurance cover as it said the policy was no longer in place.

What happened

Mr E purchased a mechanical breakdown insurance policy for his vehicle in 2012. The policy was due to last as long as he had the vehicle in his possession. In May 2021 Mr E attempted to make a claim on this cover. However, Great Lakes informed him that his cover had been discontinued in January 2019, as he hadn't responded to the 2019 renewal with the required documentation.

Mr E says he didn't receive any renewal in 2019. He says he would've responded if he'd received the renewal, just like he'd done at every previous renewal, as he still had the car. He says as this was a lifetime cover it would've been in his own best interest to continue with the cover he required.

However, Great Lakes says the renewal was sent, and as Mr E hadn't responded, the policy was discontinued. It hadn't renewed since, so there was no longer cover in place.

Mr E remained unhappy, so he referred his complaint to our service where it was looked at by one of our investigators. Our investigator thought Great Lakes had acted fairly and didn't uphold the complaint.

Mr E doesn't agree, so the complaint has been passed to me to decide.

I issued a provisional decision on this complaint on 13 April 2022. That provisional decision is below and forms part of my final decision.

What I've provisionally decided – and why

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I am thinking of upholding this complaint. Let me explain why.

The outcome to this complaint hinges on whether or not Great Lakes sent a renewal to Mr E in January 2019. Great Lakes says an email was sent but Mr E says it wasn't received. In cases like this, where the evidence is incomplete or contradictory, I'll reach a finding on the balance of probabilities. That is, what I consider to be more likely, based on the evidence available.

Our service has a well-established approach to situations like this. If it can be sufficiently evidenced that a business sent the email to the customers correct email address, we would typically consider it, most likely, to have been received. Or if it wasn't received, but had been shown to be sent, that likely wouldn't be something we'd hold a business responsible for as

it's outside their control. Great Lakes has shown that it did have Mr E's correct email address. But I also need to be satisfied, on balance, that it actually sent Mr E the email.

Great Lakes says that the policy was taken out in 2012. And it has advised that its system has recorded renewal letters that were sent to Mr E in 2015, 2016, 2017 and 2018. Mr E responded each time and the policy renewed each year. Great Lakes says that its systems were upgraded in 2017. It says that from 2017 it started to send renewals via email and not letter. It says the 2019 renewal was batch generated from a monthly system report and it was sent from a generic email account. Great Lakes says it has no record that the 2019 renewal was sent. It says that the renewal is just a courtesy and the onus is on Mr E to make sure the policy renews.

In order for me to conclude, on balance, that the email was most likely sent to Mr E, I'd expect to see some supporting evidence. For example, system notes from the time indicating the email had been sent to Mr E alongside or if available, a template or a copy of the renewal email/letter. However, despite our investigator requesting such evidence, Great Lakes has confirmed it is unable to provide anything. It says no copies of the renewal email were retained and there's no record of the email being sent on Mr E's policy records.

Mr E had maintained cover through Great Lakes for multiple years, so he was clearly happy with the warranty and the protection it provided. So, had he received the email Great Lakes says it sent, I think on balance its more likely than not that he would have been in contact with the documentation required to maintain cover, just like he'd always done. I also think the fact that he attempted to make a claim on the policy some 26 months after the policy was discontinued, indicates that he was likely not aware it had ended – which supports his suggestion that no email was ever received.

Taking all of the available evidence into account, I don't think it would be fair and reasonable for me to conclude, on balance, that Great Lakes most likely sent the email to Mr E as it says it did, because it's not sufficiently evidenced this. So, I think Mr E has lost out because of something which, on balance, Great Lakes did wrong.

So, I think a fair resolution to this complaint would be for Great Lakes reinstate Mr E's mechanical breakdown insurance cover and to now consider Mr E's claim under the terms of the cover he ought to have had in place at the time of his claim. If supporting documentation is required from Mr E I would ask him to now send in what's required, both supporting documentation to reinstate the policy, and documentation to support the repair, which he says he paid for himself.

I'm also planning to ask Great Lakes to pay compensation for the inconvenience Mr E has suffered. I'm going to recommend that Great Lakes pays Mr E £150 in compensation for its error. Mr E was put in a position where he had cover in place, but he ended up having to pay for his own repairs. £150 is a fair and reasonable award to compensate Mr E for this inconvenience.

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 sent my provisional decision on 13 April 2022 as set out above. Both parties have replied and neither party has raised any further issues. I note that Mr E has now told us that the repairs have actually yet to be completed, and have not been carried out as originally alleged.

As there are no further issues raised, I see no reason to depart from my findings as set out above.

My final decision

My final decision is that I uphold this complaint. I require Great Lakes Insurance SE to:

- Reinstatement of the policy and consideration of the claim made by Mr E as per the remaining policy terms and conditions. If the claim is valid and a payment is to be made to Mr E directly, Great Lakes should add 8% simple interest to this amount from date of claim.
- Pay £150 in compensation for the inconvenience Mr E has suffered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 7 June 2022.

Derek Dunne
Ombudsman