

The complaint

X has complained that they were unable to proceed with their application for car insurance via Yoga Insurance Services Limited ("Yoga") because it didn't offer Mx titles on its systems.

Background

In May 2022 X need to apply for new car insurance and was offered a quote from Yoga, an insurance broker, through a third-party comparison website. However, when X tried to complete their application with Yoga they were unable to do so because Yoga's website didn't provide 'Mx', X's title, from its drop-down list. As 'Mx' is the title on X's driver's licence, Yoga's systems were unable to override the issue because the application couldn't match the details on the Driver and Vehicle Licence Agency's ("DVLA's") records.

X complained to Yoga that they were being excluded from applying for insurance purely because they are non-binary and use 'Mx' as their title.

Yoga responded that it wasn't intentionally excluding X because of their gender identity but, because of the limitations of its systems at the time of application, it was unable to override the issue and so couldn't proceed with X's application. It apologised for the inconvenience and suggested they purchase their insurance elsewhere.

Unhappy with Yoga's response X brought their complaint to our service. One of our investigators looked into X's complaint already. She found that while Yoga may not have intended to exclude non-binary, trans or gender fluid consumers who use 'Mx' as their preferred title, it was effectively doing so when it only provided gendered titles in its application process. She upheld X's complaint and suggested Yoga pay them £200 compensation in recognition of the upset it had caused.

Yoga disagreed with the investigator's view. It said that it worried our service was 'setting a very dangerous precedent' and alluded to the fact that the comparison website X had used initially also didn't offer 'Mx' as a title. It felt that it was unfair for Yoga to be 'penalised' in this way as it was the comparison website that was primarily at fault. It also clarified that since X had attempted to apply for insurance with Yoga it had updated its systems and 'Mx' was now available as a title.

It asked for an ombudsman to review the complaint and so it has been passed to me to consider.

Findings

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 in agreement with the findings made by the investigator and for much the same reasons.

Yoga has raised concerns that as the comparison website also didn't offer 'Mx' as a title,

complaints could also be brought against it. I agree this may happen, but as I'm sure Yoga is aware, this service considers each complaint on its own merits. So, if a complaint is brought against another business on similar grounds any decision or finding made will be based on the specifics of that complaint. As such I don't think it has any bearing on the complaint before me, which concerns X's dealing with Yoga as an individual business.

Yoga has also said that the issues started when X entered their title as 'Mr' on the comparison website and it carried through to Yoga's website in this way. Having read X's testimony, it seems as though they did this purely as a work around because 'Mx' wasn't available to them when they started their initial search through the comparison site. The issue here isn't what was entered initially, but the fact that Yoga has confirmed that even if X had come directly to its site, without using a comparison site at all, they still wouldn't have been able to progress their application because 'Mx', their preferred title, and the one that appears on their drivers' licence, wasn't available to them.

So, I don't think the points Yoga has raised in regard to the information inputted in the comparison site has any bearing on the problems X faced when trying to arrange insurance via Yoga. Regardless of what happened initially Yoga's systems didn't provide the full list of titles it needed to.

Yoga has also stated that it's impossible to know for sure whether or not X has lost out financially because they were never offered insurance via Yoga. X went on to arrange car insurance elsewhere and it could be that the insurance they ultimately ended up with was the best deal for them. Yoga has said any offer it may have formally made might have been considerably more expensive than those made by its competitors.

Again, I feel Yoga is missing the point here. Our investigator clearly set out in her view that she wasn't awarding the price difference between the initial quote X told us they got through the comparison site and what they eventually ended up paying. This is because there are too many unknown variables that may have increased the overall cost of any policy eventually offered by Yoga. Rather she suggested that Yoga pay X £200 in recognition of the fact that they were excluded from applying for insurance through Yoga's website (the only mechanism consumers can use to purchase insurance from Yoga) merely because of their title. This was a distressing experience for X and the compensation suggested was in recognition of this avoidable and unnecessary distress.

I appreciate that Yoga feels it is being unfairly 'penalised' for not being able to progress X's application. It has said that it was beyond its control. However, given it was the limitations of its own IT systems that caused the problems, it seems to me that it was very much within Yoga's control. This is further evidenced by the fact that Yoga has since updated its systems and now does offer 'Mx' as a title option.

Therefore, having reviewed all of the evidence provided by both X and Yoga I agree that the £200 compensation suggested by our investigator is reasonable in the circumstances. Yoga may not have set out to deliberately exclude non-binary, trans or gender fluid consumers from using its services, but its failure to offer non-gendered titles in its application process effectively did this. And while it may not have taken X a long time to arrange alternative insurance elsewhere that's not the point. It was distressing and alienating to be prevented from even applying for insurance merely because of their gender identity and for that Yoga should pay compensation.

Putting things right

In order to put things right Yoga should pay X £200 compensation for the trouble and upset it caused them.

My final decision

For the reasons set out above I'm upholding X's complaint against Yoga Insurance Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 14 February 2023.

Karen Hanlon
Ombudsman