

## **The complaint**

Miss T complains that Acorn Insurance & Financial Services Limited mishandled her motor insurance policy.

Where I refer to “Acorn”, I refer to the above-named company and I include employees and others insofar as I hold Acorn responsible for their acts or omissions.

## **What happened**

Acorn is an insurance intermediary rather than an insurer.

For the year from January 2021, Miss T took out a motor insurance policy through Acorn. It acted as an intermediary between her and an insurer.

Due to an error, Acorn didn't get the policy information recorded on the Motor Insurers Database (“MID”).

In mid-May 2021, July 2021 and September 2021, Miss T contacted Acorn for confirmation that she was insured.

In October 2021, Miss T complained to Acorn that – despite her contact – it hadn't resolved her issue.

Acorn updated MID in mid-October 2021. By an email shortly afterwards, Acorn told Miss T she could bring her complaint to us within six months.

For the year from January 2022, Miss T took out a new policy through Acorn with the same insurer. She paid a deposit and agreed to pay instalments to a finance company from 11 February 2022. On that day, Miss T's direct debit didn't go through and she was charged a fee of £25.00.

Miss T brought her complaint to us in mid-February 2022. She complained about problems with the police in 2021. She also complained that – although it had insured her in 2021 – Acorn had asked her for details of her no-claims discount (“NCD”) for the policy in 2022. She also complained that Acorn should refund the £25.00 fee for the failed direct debit.

Our investigator recommended that the complaint should be upheld in part. She thought that Acorn had acted fairly regarding the direct debit. But the investigator didn't think Acorn had done enough to put things right regarding the delay in updating MID. The investigator recommended that Acorn should pay Miss T £100.00 compensation for distress and inconvenience.

Acorn accepted the investigator's opinion.

Miss T didn't respond to the investigator's opinion. So the investigator asked for an ombudsman to review the complaint.

## **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.

Acorn has accepted responsibility for MID not recording that Miss T's van was insured from January 2021. But Miss T hasn't given us much detail of the problems she experienced as a result.

Her complaint form included the following:

*"...the police had been in touch with me on multiple occasions in relation to my van not being insured"*

But Miss T didn't say that police had stopped her at the roadside. And Acorn's file records that she contacted it in May, July and September 2021 because she had received a "government letter" or heard from DVLA. So I don't find that police had stopped Miss T.

The omission from MID caused DVLA to contact Miss T. She's sent us a copy of a DVLA letter dated August 2021 that mentions a fixed penalty notice for failing to insure her vehicle and her challenge to that fixed penalty notice. DVLA asked Miss T to get her insurer to provide evidence that she'd been insured in May 2021.

As I've said, Miss T hasn't given us much detail of the impact on her. But I find it likely that – although she knew she was insured – the contact from DVLA caused her some concern and put her to some trouble in contacting DVLA and Acorn.

I've seen a letter from Acorn in mid-October 2021 confirming – on behalf of the insurer – that Miss T had been insured from January 2021. I find it likely that this was enough to resolve the issue with DVLA. And at around the same time, Acorn updated MID.

I've noted that the 2021 policy wasn't renewed for 2022. Rather the 2022 policy was a new one that Miss T took out online. So I don't consider that Acorn treated her unfairly by asking her for evidence of her NCD.

I find it likely that it was the finance company rather than Acorn that charged the late payment fee of £25.00. Acorn says that it was refunded on about 7 March 2022. Miss T hasn't contradicted that. So I don't find it fair and reasonable to direct Acorn to do any more in response to her complaint about that fee.

## **Putting things right**

The investigator recommended £100.00 for distress and inconvenience. Miss T hasn't given enough detail to persuade me to direct more. And Acorn has agreed the amount of £100.00. Overall I find it fair and reasonable to direct Acorn to pay Miss T that amount for distress and inconvenience.

## **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Acorn Insurance & Financial Services Limited to pay Miss T £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 7 November 2022.

Christopher Gilbert

**Ombudsman**