

The complaint

Mr F has complained about his car insurance broker Well Dunn Limited as he believes it mis-sold him a policy.

What happened

Mr F arranged cover via Well Dunn for his car. He was told he would get a courtesy car. When he had an accident his insurer said there was no option for a courtesy car – the policy he had was for third-party, fire and theft only.

Mr F was then unable to work and he complained to Well Dunn. He said he had chosen this policy over others because he'd been told he would be entitled to a courtesy car. Well Dunn initially refuted liability. But in a final response it accepted it had given Mr F wrong information when the policy was arranged. It said it would pay him for two weeks' lost wages and £100 compensation. Whilst it was aware that Mr F was unable to work for longer than that, it felt, given he'd been told immediately after the claim that he couldn't have a courtesy car, that the extent of its offer was fair. Mr F complained to us.

Our Investigator felt that Well Dunn had made a fair and reasonable resolution offer. So she didn't think it needed to do anything more to resolve Mr F's complaint. Mr F asked for an Ombudsman's decision.

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 appreciate that this has been an upsetting circumstance for Mr F. But I think Well Dunn has made a fair and reasonable offer to make up for the error it made (which I note it has paid).

I've considered the conversations Mr F had with Well Dunn when deciding whether to accept the policy it was arranging. I know Mr F, at that time, had received another quote from a different insurer. Although the exact cover being offered hasn't been shown to me, I know that it was at a reduced cost from the policy Well Dunn arranged. So I've thought about whether Well Dunn caused Mr F to have a financial loss in this respect. But I don't think it did. Having heard Mr F's call with Well Dunn I think the advice he was given about a courtesy car was not the only deciding factor for him in choosing the cover provided via Well Dunn over the other quote he'd obtained. In the conversation Mr F was told that the other policy he'd obtained a quote for didn't include legal cover or afford any no claims bonus. I think these were also important factors for Mr F. So I'm not persuaded that Mr F would've obtained that policy instead if Well Dunn hadn't misled him about the courtesy car.

Further, whilst I accept that the courtesy car was an important aspect for Mr F, clearly the overall price for the cover was too. And Mr F was also clearly looking for third-party, fire and theft cover only. Which meant he wasn't looking for cover that would protect him against

losses incurred in the event of an accident. And of the third-party type cover policies of which I'm aware, none offer to provide the policyholder with a courtesy car if their car is damaged in an accident. That would only be available under comprehensive policies, which are more expensive, and only then if that insurer chooses to offer that cover.

When policies do include the provision of a courtesy car when a car is damaged in an accident, that is usually only for the period the car is being repaired. Here, Mr F's car was written-off, so it was never being repaired. In some limited cases, where a car is eventually written-off, a courtesy car might be provided for fourteen days. So the longest Mr F might have been able to have a courtesy car for, if he had been prepared to buy a more expensive, comprehensive policy, would have been fourteen days. In short, Mr F's policy did not cover him for accidents and, even if he had taken comprehensive cover, in the circumstances here, Mr F likely wouldn't have been entitled to a courtesy car for more than fourteen days.

It is clear to me that Well Dunn failed Mr F by giving him misleading information. But it also seems to me that its error, in light of the resolution it has provided which included the sum of two weeks' wages, didn't materially alter the position, in respect of the courtesy car, from that which Mr F would always have found himself in.

In the circumstances, and given Mr F has had the benefit of the cover, I don't think it would be fair for me to make Well Dunn reimburse the policy premium. I also don't think it would be fair to make it reimburse Mr F's lost earnings over a period exceeding two weeks/fourteen days. I've explained why above. But I also note here that Mr F's misunderstanding in this respect – created by Well Dunn – was corrected very soon after the accident. With the benefit of that corrected information, it was then up to Mr F to act as though he was uninjured in respect of the courtesy car. So, whilst I understand that things were difficult for Mr F, he needed to make the best of the situation he was in.

However, clearly Well Dunn's misleading advice left Mr F in a position where he was expecting to get the courtesy car cover. Such that when he was told, shortly after the accident that this wasn't the case, he was caused upset and left in a difficult financial position. Well Dunn has offered and paid compensation for that. As well as reimbursing Mr F for two weeks' lost earnings. I think that is fair and reasonable to make up for the loss of expectation Well Dunn's misleading information, given when the policy was arranged, caused Mr F when his car was damaged in an accident. Therefore, with regret for the upset I know this will cause Mr F, I'm not going to require Well Dunn to do anything more.

My final decision

I don't make any award against Well Dunn Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 23 November 2022.

Fiona Robinson

Ombudsman