

The complaint

Mr L has complained about his motor insurer Ageas Insurance Limited (“Ageas”). He’s unhappy with its processes and the fact that it threatened to cancel his policy without making any investigations and without allowing him enough time to respond.

What happened

Mr L bought a new car and took out an insurance policy with Ageas in August 2022. Ageas wrote to Mr L to confirm the policy had been set up and asked for a copy of his no claims discount certificate (NCD) within 14 days. Ageas sent a reminder regarding the NCD on 3 September and Mr L sent the certificate in on 7 September, three days before the 14-day deadline.

Mr L received an email on 10 September, the day of the deadline, which was also a Saturday, which said that the NCD he had submitted was not acceptable. The email said that his policy was going to be cancelled on the same day unless he provided proof that the same NCD was not being used on another vehicle.

Mr L said he saw the email by chance as he was only checking his emails that day for something else. When he saw it he got in touch with Ageas. He said he waited over an hour to get through to someone and also spoke to Ageas on its live chat function.

Ageas said the reason why the NCD was not accepted initially was because it had a different vehicle registration to the one on Mr L’s new car and it wanted to make sure that this NCD was not being used on a different vehicle. After Mr L confirmed it wasn’t, Ageas accepted the certificate and confirmed the policy would not be cancelled. This was confirmed on the same day – 10 September 2022.

Mr L wasn’t happy with the way that Ageas had handled the matter and complained. He said if he hadn’t seen the email his policy would have been cancelled without further notice and he would have been driving uninsured without realising. He also said Ageas only allowed him a few hours to go back to it regarding the NCD before it planned to cancel the policy and that this was particularly poor as the email was sent on a Saturday when a lot of businesses such as brokers are closed or only work reduced hours. He said the call waiting times were unacceptable, that Ageas was not keeping up with its regulatory obligations which include treating customers fairly and was unhappy with Ageas’ staff’s lack of knowledge of the regulator’s rules when it comes to insurers.

Ageas didn’t respond to Mr L within the eight-week time frame businesses have before a consumer can bring their complaint to us so Mr L complained to us. In addition to the points he’d made above, he said that Ageas had accused him of making a misrepresentation and that it failed to look into his complaint under the relevant law, the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). He also said that Ageas’ documentation and letters requesting that the NCD be provided didn’t say that if it showed an old registration this would make the NCD unacceptable and potentially lead to a cancellation. He added that when he called Ageas when the eight-week deadline was approaching he was told that the complaint was being considered when in fact it hadn’t yet

been picked up. Mr L also referred to some of our Ombudsman decisions where awards for £250 were made in cases which involved a misrepresentation.

Ageas responded to Mr L's complaint not long after he brought it to us. It upheld it and offered him £250 in compensation. Ageas agreed that its wait times were too long, it accepted that it hadn't allowed Mr L enough time to respond before potentially proceeding to the cancellation, and that its overall service wasn't what it would have liked. It also stated that it hadn't said that Mr L had made a misrepresentation and said his policy was at no point cancelled.

Mr L said though Ageas' response went some way to resolving the complaint there were still issues that he disagreed with. Specifically, he said that he still believed that CIDRA should have been followed and that Ageas should have halted the cancellation whilst seeking further clarification from him regarding his NCD. He also didn't agree with Ageas' description of the NCD as unacceptable as it met all the requirements stated in the documentation it had sent to Mr L when he took the policy out. Our Investigator who looked into the complaint felt that Ageas' £250 compensation offer was, in the circumstances, reasonable. He added that we wouldn't award compensation for things that could have happened but didn't, such as the cancellation and the chance of Mr L driving uninsured.

Mr L asked for an Ombudsman's decision. He said he didn't feel the compensation awarded was sufficient. He said that he felt the onus was being put on him by Ageas to show that the NCD was acceptable; which it was from the start; instead of undertaking a proper investigation into the use of the NCD.

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 have decided to uphold it. Nevertheless, I think the compensation Ageas provided is fair and reasonable in the circumstances.

Mr L has raised a number of points both with us and with Ageas. I have considered them all but, as this service is an informal dispute resolution service, I won't be addressing all of these points individually in this decision. Instead, I will be looking at the ones I consider to be the most important.

As I set out in the background Ageas agreed that its overall service could have been better. Among other things, it accepted that Mr L had to wait a long time to get through to a handler, that it should have allowed him more time to get back to it regarding the certificate, that its telephone communications with Mr L could have been better and that Mr L was erroneously told the complaint was being investigated when it hadn't been picked up. So, I don't think I need to consider those points any further.

Mr L said that Ageas' complaint response had addressed some of his concerns but not all. He said Ageas still didn't address his concern about putting the onus on him to show that the NCD he provided was acceptable. And he also felt that Ageas should have considered the matter under CIDRA.

I have looked at the documents Mr L referred to in terms of what he was required to submit in relation to his NCD. The reminder he was sent on 3 September says that the NCD must clearly state the name and logo of his old insurer, the date it was sent, the insured's name and address and the NCD in years. It goes on to say that before sending the documents in to check the list of what can and can't be accepted (also in the letter) **or** (my emphasis) to

look at the complete guide on Ageas' website. The list of what can and can't be accepted does not mention the vehicle registration. So I agree with Mr L that Ageas didn't mention the registration in the documentation it sent him.

I have looked at Ageas' complete guide which says that the certificate should include the vehicle registration ("your registration number"). Ageas also has a video on its website and in the video it states that the registration on the certificate should match the registration of the car that is being insured with Ageas. It isn't clear to me whether the current content matches what was on Ageas' website in September 2022. But in any event I don't know how many consumers would watch Ageas' video particularly as the reminder letter says looking at the complete guide is optional. And I don't think it's ideal that it includes new information compared to what was in its letter to Mr L or even on its website.

Having said the above, Mr L accepts that Ageas was right to enquire about the registration and I agree. Particularly as Mr L said that he also owned other cars. But as I said above, I agree that he should have been given more time to provide the information Ageas required – at least a few days and not a few hours on a Saturday.

Mr L says that instead of Ageas putting the onus on him to provide a certificate it deemed acceptable, though he feels his was in any case, and rushing to cancel the policy it should have carried out a proper investigation first. Mr L said he was accused by Ageas of making a misrepresentation. And he says it didn't follow the process set out in CIDRA before threatening to cancel his policy i.e. it didn't first investigate whether he had failed to take reasonable care to provide accurate information, whether it would have made a difference (whether Ageas would have offered the policy at all, charged a different premium) etc. I take Mr L's point but as the policy wasn't cancelled or avoided, I won't be considering this further. What I will say is that we'd expect a business to act fairly and reasonably before proceeding to cancel a policy and this may include carrying out a proper investigation. And where CIDRA applies we'd expect a business to follow the relevant steps.

As I said above, I have considered all of Mr L's points and have listened to his calls with Ageas where he has raised valid concerns about its processes including the potential impact of its call waiting times on vulnerable consumers. And I agree with Mr L, as does Ageas, that he wasn't given enough time to respond regarding his certificate and that had he not spotted the email the likelihood is that he would have been driving uninsured. And it is possible that he could have been stopped by the police and ended up with a fine/points or even going to court. I also agree that once the policy was cancelled, getting it reinstated, removing the cancellation marker etc would have been difficult. Nevertheless, as our Investigator said we can only award compensation for what did happen. And I note that Ageas confirmed the policy was valid on the same day it sent the email saying it could be cancelled which was also the same day Mr L saw the email. So, though I accept this was a distressing period for Mr L and that it required effort for him to resolve, I think the £250 compensation award is fair and reasonable in the circumstances.

As Mr L will be aware our decisions address individual complaints and not the overall conduct of businesses or the potential impact of their processes on other consumers. Mr L has said that he will be raising his concerns with the regulator, the Financial Conduct Authority (FCA), and as some of his points are regulatory in nature it is best that they are addressed to the regulator.

My final decision

For the reasons above, I have decided to uphold this complaint. Ageas Insurance Limited must pay Mr L £250 compensation for the distress and inconvenience it caused him, if it hasn't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 8 March 2023.

Anastasia Serdari
Ombudsman