

The complaint

Mr M complains that Ageas Insurance Limited unfairly turned down a claim he made on his motor insurance policy.

What happened

Mr M had a comprehensive car insurance policy with Ageas. In October 2021 he had an accident in which his car was damaged. He made a claim on his insurance, and his car was taken to a garage for repair.

Ageas asked to see Mr M's driving licence, but he explained that it had expired in October 2020 and was with the DVLA, waiting for renewal. And he mentioned that the DVLA had asked him to complete a medical questionnaire to establish whether he was fit to drive.

Around seven weeks after the accident Ageas told Mr M that it hadn't been able to validate his licence details or to establish that he'd been entitled to drive at the time of the accident. It said that it was closing his claim, pending further information. The car was returned to Mr M unrepaired.

Unhappy with Ageas's response to his claim, Mr M complained to this service. As well as being dissatisfied with Ageas's refusal to deal with his claim, Mr M said he wasn't happy that his car had been left in the street, leading to complaints from neighbours and a £50 parking fine.

One of our investigators considered Mr M's complaint but didn't think it should be upheld. She explained that she thought it had been fair of Ageas to close the claim as it couldn't confirm Mr M's entitlement to drive. And she said that the DVLA had since confirmed that Mr M shouldn't have been driving at the date of the accident.

My provisional findings

After considering all the evidence, I issued a provisional decision on this complaint to Mr M and to Ageas on 20 January 2023. I said:

“Mr M's licence had expired almost a year before his accident in October 2021. He's explained that at the time of the accident he'd applied to renew it. It seems that he may have been under the impression that his licence had been automatically extended, under a special provision designed to cover delays caused by the covid pandemic. But the DVLA has explained that the extension to driving licences didn't apply in Mr M's case – and even if he'd been eligible for an extension, it would only have been for 11 months. The accident was just a few days short of 12 months after Mr M's licence expired. So an 11-month extension wouldn't have covered the day of the accident in any event.

But it's not in dispute that Mr M had held a driving licence in the past.

Mr M's certificate of insurance stated that he was entitled to drive:

“provided that [Mr M] holds a licence to drive the vehicle or has held and is not disqualified for holding or obtaining such a licence”.

Mr M’s insurance policy contained some exclusions. Exclusion 1 said:

“We will not pay any claims arising directly or indirectly from any of the following:

...

(b) The car being driven, with your permission, by anyone who you know does not hold a driving licence or is disqualified from driving. However, we will still give cover if the person used to hold a licence and is allowed to hold one by law.”

I asked for Ageas’s comments on this wording. It responded that it’s meant to cover people whose licence has expired. But it said that Mr M had told it his licence had been revoked, and that it had explained to him that that was a different matter.

I’ve listened carefully to the various recordings of phone calls with Mr M that Ageas has provided, including a long conference call between Mr M, Ageas and DVLA. In the first of two calls which took place ten days after the accident, Mr M said that following the earlier accident in June 2021, the DVLA had written to him asking him to send in his old licence with a questionnaire about his fitness to drive. He’d done that, but hadn’t yet heard back. Ageas asked him whether the accompanying letter from DVLA said anything about whether he could continue to drive and he said it didn’t, so he assumed he could.

In another call later that day, Mr M said the reason DVLA had wanted him to send it his old licence was that it had expired. Mr M read out the letter he’d had from DVLA in January 2021 (well before either of the two accidents) and it said his licence entitlement had expired on 20 October 2020. There had been some speculation in the previous call that DVLA had contacted him because the police had alerted it after the June 2021 incident. But based on the second call, it seems most likely to me, on balance, that DVLA had contacted Mr M purely because his licence had expired a few months before – and it seems likely that it sent him the medical form as a matter of routine.

Ageas then explained to Mr M that it needed to establish that he “had entitlement to drive” at the time of the October 2021 accident. It commented that at best an 11-month extension for covid would have taken him to September 2021, but the accident was in October 2021. That suggests to me that Ageas was still focussing on whether Mr M had a valid licence. But the wording in the policy certificate clearly indicates that someone will still be covered if their licence has expired, just as long as there’s no legal reason why they shouldn’t have a licence.

Ageas then told Mr M that it would only expect DVLA to be happy for him to continue to drive if it had positively confirmed that he could. It said the DVLA was experiencing big backlogs, and it wasn’t a given that it would allow him to drive once it had considered his application and medical form – and it might attach conditions. It explained that as things stood, it couldn’t confirm the status of Mr M’s driving licence.

Mr M confirmed again that the police had called on him the day after the October 2021 accident, and had given him a form. But it seems it was the same form he’d already sent to the DVLA with his old licence, and that was pending consideration. Mr M said that the police told him that according to their mobile system his licence was revoked. He then went on to say that he assumed his licence was revoked because it had expired. Ageas explained the difference between a licence having simply expired and having been revoked. And it said that it was possible that DVLA had told him he shouldn’t be driving. So it was important that they work out the status of Mr M’s licence.

Having listened to the other call recordings, I listened again to the conference call between Mr M, Ageas and DVLA. DVLA initially said that Mr M had a full licence, and it was unable to confirm (as Ageas had requested) whether it had ever been revoked or rescinded. Ageas explained to DVLA that it was trying to establish whether Mr M “had an entitlement to drive” on 16 October 2021. And it asked whether Mr M “was legally entitled to drive” on that date. Ageas commented that if Mr M was renewing his licence every three years and had renewed it in 2017, it would have come up for renewal again in 2020.

DVLA then said it had checked another system, and that “for some reason or another” - but it couldn’t say why – Mr M’s entitlement to drive “ran out” in October 2020 and he “was not covered to drive from October 2020 to November 2021”. Ageas responded “So between October 2020 and 8 November 2021 the gentleman had no entitlement to drive”. And it asked “Does it give any specific reason why he wasn’t covered to drive?” DVLA said “No. It doesn’t say anything”. It then confirmed that Mr M was granted a medical licence in November 2021 (just over three weeks after the accident), another medical licence from December 2021 to April 2022 then a “normal three-year medical licence”. So he’d been entitled to drive continuously from 8 November 2021.

I’ve borne in mind that in the course of his conversations with Ageas, Mr M told Ageas that when the police called on him the day after the October 2021 accident, they told him that according to their mobile system, his licence had been revoked. But the police and/or Mr M may not have been choosing their words particularly carefully. It’s also possible that Mr M may have mis-remembered the exact words used. Ageas asked DVLA specifically about this, but DVLA wasn’t able to confirm that Mr M’s licence had been revoked.

Where the evidence is incomplete or inconclusive, I need to decide what I think’s most likely to have happened, based on the information I have. And I’m not satisfied that I can fairly conclude that Mr M’s licence had been revoked. Having thought very carefully about all the evidence and information that’s been provided, I think it highly likely that the reason why Mr M’s entitlement to drive “ran out”, as DVLA put it, in October 2020, was just that –the three-year licence he’d got in October 2017 (as confirmed by DVLA) had run out - in other words, it had expired and he hadn’t yet renewed it. I’ve not seen anything, other than Mr M’s rather vague account of what the police said to him, to suggest that there was some specific reason why he wouldn’t have been entitled to a licence when the accident occurred.

I acknowledge that it’s clear that DVLA wanted to check Mr M’s fitness to drive before issuing a new licence. But I don’t think that implies that Mr M wasn’t “allowed to hold [a licence] by law” as referred to in the insurance certificate. I think that was a question that was in the process of being determined at the time. The fact that he was issued with a licence from 8 November 2021 shows that even though he didn’t have a licence at the time of the accident, it was eventually established that there was no reason in law why he shouldn’t have one. And I can’t see that Mr M was “disqualified from holding or obtaining” a licence, or that he wasn’t allowed by law to hold one. In fact, I think it reasonably likely that if it hadn’t been for the delays at DVLA, Mr M would have already been issued with a medical licence by the date of the accident and the need for this complaint wouldn’t have arisen.

I’d like to comment that it’s clear to me that Ageas has gone to some considerable effort in this case to try to establish what the status of Mr M’s driving licence was at the time of the October 2021 accident. I don’t have any doubt that it was genuinely trying to reach the right outcome. But for the reasons I’ve set out, I don’t think it was entitled to refuse to consider Mr M’s claim.”

And so based on what I’d seen so far, I thought Mr M’s complaint should be upheld, and my provisional view was that Ageas should do as I’ve set out under the heading “Putting things right” below.

Further submissions

Mr M's told us that he has nothing further to add. But Ageas doesn't agree with my provisional decision. It says that it went to great lengths to resolve the matter in a timely manner. It says it explained to Mr M as early as October 2021 why it needed to validate his entitlement to drive with DVLA. But despite its best efforts it was unable to do so. And it's pointed out that it wasn't until the end of March 2022 that Mr M contacted it to say he'd be seeing his GP within the next three weeks.

Ageas says that Mr M wrote to it in April 2022 to say that he "*now had an entitlement to drive*", and it then tried again to "*validate his driving licence history*", and offered to do everything it could to help with the process. It says Mr M refused to co-operate with it, and it was only when this Service intervened in July 2022 that it was able to hold the conference call with Mr M and DVLA.

What's more Ageas doesn't consider it fair to require it to pay interest at 8% on any settlement from the date of the incident. This is because it considers that it's not been responsible for any delay in handling the matter. And it doesn't believe that it could have done any more than it did to resolve the matter quickly.

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 acknowledged in my provisional decision that Ageas had made a considerable effort to try to establish what the position was regarding Mr M's driving licence at the time of the accident. And I said that I realised that it had genuinely been trying to reach the right outcome. I remain of that view. I also acknowledge that Ageas had some difficulty contacting Mr M and getting responses from him.

But having thought carefully about what Ageas has said in response to my provisional decision, I'm not persuaded that there's a good reason to depart from the findings I set out in it.

Ageas spent some considerable time trying to establish whether Mr M had a valid driving licence when he had the accident. But that wasn't the question that needed to be answered. Mr M's policy documents made it clear that not having a valid driving licence didn't automatically mean that he wouldn't be covered.

It wasn't in dispute that as at the date of the accident Mr M at the very least *used to* hold a valid licence. The crucial question was whether he was "*disqualified from holding or obtaining such a licence*", as set out in the certificate of insurance. And for the reasons I set out in some detail in my provisional decision, I'm not satisfied that Ageas established that there was any reason why Mr M would have been disqualified from having a licence at the time of the accident in October 2021.

As I commented in my provisional decision, the fact that Mr M was issued with a licence less than a month after the accident shows that even though he didn't have a licence at the time of the accident, it was eventually established that there was no reason in law why he shouldn't have one. And he might well already have had a licence at the date of the accident but for delays at DVLA.

So I remain of the view that Ageas should have dealt with Mr M's claim. It acted unfairly by not doing so. I accept that some of the delay was caused by Ageas's difficulty in contacting, and getting responses from, Mr M. But Ageas added to those delays by focussing much of its investigation inappropriately into whether Mr M had held a valid driving licence at the date of the accident. Ultimately, I consider that Ageas should have dealt with Mr M's claim within a reasonable time of the accident. If it had done so, the question of interest on any settlement wouldn't have arisen.

So having thought carefully about everything that's been said, my view remains unchanged.

Putting things right

Ageas should:

- Consider Mr M's claim under the remaining terms and conditions of the policy;
- If, having assessed Mr M's claim, Ageas makes a financial payment to him in settlement of the claim, pay Mr M simple interest at a rate of 8% per year on the amount paid, calculated from the date of the accident in October 2021 to the date of payment; and
- Pay Mr M £200 to apologise for the distress and inconvenience he's experienced as a result of Ageas's refusal to consider his claim.

My final decision

My decision is that I uphold this complaint. I require Ageas Insurance Limited to put things right by doing as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 March 2023.

Juliet Collins
Ombudsman