

The complaint

Mr S complains that Skyfire Insurance Company Limited is responsible for mishandling of his motor insurance policy.

What happened

For the year from mid-February 2019, Mr S had a car insured on a policy branded with the name of an insurance intermediary.

In late September 2019, someone hit Mr S's car while it was parked. He made a claim, and the insurer wrote off his car. Mr S got another car.

For the year from mid-February 2020, Mr S had that car insured on a policy branded with the name of the insurance intermediary.

In mid-December 2020, Mr S spoke to the intermediary. It said that if he renewed, he should be able to get a refund of any overpayments of premium when the claim was resolved.

In late January 2021, Mr S spoke to the intermediary again. It said that an open claim was affecting his renewal premium, and that he would get a reduction if the claim was settled in his favour. During that call, Mr S decided to renew the policy for the year from mid-February 2021.

In early December 2021, Mr S became involved in another claim.

In mid-December 2021, Mr S spoke to the intermediary again.

By February 2022, Mr S had changed his car again.

In early February 2022, Mr S spoke to the intermediary again. It told him that an open claim was affecting his premium, but it could be adjusted if he'd paid extra.

For the year from February 2022, Mr S had his car insured on a policy branded with the name of the insurance intermediary. Skyfire was the insurer that was responsible for setting premiums and dealing with claims.

In late October 2022, Mr S contacted the intermediary. As the 2019 claim had been closed, he asked for a refund. The intermediary told Mr S that the claims were recorded as non-fault. So there had been no overpayment of premium and there was no refund due.

Mr S complained to the intermediary. By a final response dated late December 2022, the intermediary said that the premiums had been correct. It said it had provided incorrect information about a refund of premiums. It said it was sending an electronic payment of £75.00.

Unhappy with that, Mr S brought his complaint to us within a few days.

For the year from February 2023, Mr S renewed his policy.

The investigator and the intermediary agreed that the complaint was against Skyfire.

Our investigator recommended that the complaint should be upheld in part. He thought that the intermediary had been acting on behalf of Skyfire. He thought that the intermediary had incorrectly informed Mr S about the price increases, which had ultimately led him to stay with them rather than insuring with another provider.

The investigator recommended that Skyfire should pay Mr S, on top of the £75.00 already paid, a further £225.00, a total of £300.00 for distress and inconvenience.

The intermediary agreed with the investigator's opinion.

Mr S disagreed with the investigator's opinion in part. He asked for an ombudsman to review the complaint. He says, in summary, that:

- It seems unfair that he was promised something and it has not been lived up to.
- They do not deserve to get off lightly.
- He hopes to recover some of the funds.

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.

The Financial Ombudsman Service investigates a consumer's complaint against a regulated financial firm. Where we uphold a complaint about an unfair act or omission, we look at its impact on that consumer in terms of financial loss and non-financial loss such as disappointment, distress and inconvenience.

We may award compensation to try to put right such impact. We don't assess compensation at a level intended to punish or deter unfair acts or omissions.

From the statement of fact documents, I see that in February 2019, Mr S had no recorded claims and one year's no claims discount or no claims bonus ("NCB").

The September 2019 claim was recorded in the statement of fact in February 2021. But the statement of fact said: "*Fault NO*". it also said "*NCB NO*" which in my view meant that the claim hadn't affected Mr S's NCB. The statement of fact recorded two years' NCB. The statement of fact in February 2021 was similar, but with three years' NCB.

The September 2019 claim and the December 2021 claim were recorded in the statement of fact in February 2022. But against each of them, the statement of fact said: "*Fault NO*" and "*NCB NO*". The statement of fact recorded four years' NCB.

An additional claim dated January 2023 was recorded in the statement of fact in February 2023. Against each claim the statement of fact said: "*Fault NO*" and "*NCB NO*". The statement of fact recorded five years' NCB.

From the statements of fact, I'm satisfied that the intermediary hadn't recorded any fault claim. So I don't find that Skyfire set a premium to reflect any fault claim. I don't find it fair and reasonable to direct Skyfire to make any refund.

That said, I find from the call recordings that the intermediary gave Mr S incorrect information about getting a refund of premium and led him to hope for such a refund.

Also, the intermediary gave Mr S poor service on the telephone in October 2022, which wasted his time before causing him the disappointment of not getting a refund as he hoped. I find it fair and reasonable to hold Skyfire responsible for that. Weighing up that impact, I consider that £300.00 is more than I would otherwise have found fair.

Putting things right

However, the investigator made that recommendation and the intermediary accepted it on behalf of Skyfire. So I find it fair and reasonable to direct Skyfire to pay Mr S – in addition to the £75.00 already paid - a further £225.00 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 Skyfire Insurance Company Limited to pay Mr S – in addition to the £75.00 already paid - a further £225.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 July 2023.

Christopher Gilbert
Ombudsman