

The complaint

Mr H complains Liverpool Victoria Insurance Company Limited (LV) sent emails informing him that his motor insurance policy was going to be cancelled to the wrong email address. He says this resulted in him receiving a fine and points on his driving licence for driving without insurance – and he considers LV to be responsible for this.

What happened

The circumstances of this complaint are well known to both parties, so I've summarised events.

- Mr H had a motor insurance policy with LV.
- He was stopped by the police for driving without insurance. Mr H says he told the police he was insured and so, was shocked to find his policy had been cancelled.
- Mr H contacted LV who said it had emailed him several times in March 2023 to tell him his payment details needed to be updated – so it could collect payment - and that his policy would be cancelled if he didn't do so.
- Mr H complained to LV saying the emails had been sent to the incorrect email address. He explained he'd updated his contact details on 8 December 2022, and so the emails should have been sent to the updated email address.
- In response LV said its data showed Mr H had updated his email address again on 22 December 2022. And so, it was satisfied it had sent correspondence to the correct address.
- Unhappy, Mr H brought a complaint to this Service. An Investigator considered it and didn't uphold the complaint. Because Mr H disagreed with the outcome, the complaint has been passed to me for an Ombudsman's decision.
- After reviewing the evidence, I contacted LV and asked it to explain why it couldn't provide portal login data which corresponded with the date and time Mr H was said to have updated his email address for a second time on.
- LV replied saying a computer bug was responsible for reverting Mr H's email address to his original one – the address he no longer uses. Based on this new material information, I set my thoughts out in a provisional decision for the parties to comment on - I've included an excerpt of it below.

"What I've provisionally 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.

- *Based on LV's admission that a computer glitch caused Mr H's email address to be*

changed, I'm satisfied Mr H didn't amend his email address on 22 December 2022 and that it instead happened because of a technical fault on LV's part.

- Had the emails been sent to the correct email address, I'm satisfied Mr H would have taken action to ensure the premiums were paid, and that he wouldn't have left himself uninsured. He'd been prudent in updating his email address to ensure LV had his correct contact information and so, I'm persuaded he would have acted in the same manner in respect of his bank details.*
- So, having established that LV was at fault for the emails being sent to the incorrect email address, I must consider what the impact of this was on Mr H.*
- First, he had the distressing experience of being stopped by the police and informed he was driving without insurance. Understandably, to find out he'd been unknowingly driving without insurance was a shock for Mr H and an upsetting experience for him.*
- Second, Mr H's testimony has been consistent – he's explained on numerous occasions to LV that he didn't login to his account on 22 December to amend his details, but LV has been dismissive of this. Even when Mr H asked LV the same questions about the data that I put to it LV told him it was satisfied he'd logged into his account and updated his email information. It's not clear what's changed which means LV is now able to say a computer glitch was responsible for the email address reverting to the incorrect one, but in any event, I'm not satisfied it sufficiently investigated Mr H's concerns about the reliability of the data. Had it done so, it would have realised a computer glitch had caused the problem and much of the frustration and worry Mr H has experienced could have been avoided.*
- Third, Mr H has explained that the points on his licence are particularly concerning because he needs his driving licence to work. Whilst I can't comment on what a Court may decide or have any jurisdiction over the points on his licence, I am directing LV to write a letter of admission explaining how Mr H's policy came to be cancelled. Importantly, it must make it clear that it was because of a mistake on LV's side. I will also be directing LV to reimburse Mr H the cost of the fine he incurred.*
- Its possible Mr H's premiums may increase because of the points on his licence. I understand these will last for four years. I believe Mr H has since approached another insurer for cover going forward. If he can evidence his premiums have increased since the last year on cover with LV – I would direct LV to cover this difference – then multiply this by four – to reflect the likely increase in his premiums across this time until the points are no longer on his licence.*
- When I consider the above – particularly the stress this situation has caused Mr H and how the difficulties he's faced with LV have compounded this situation, I'm satisfied £750 compensation reasonably reflects the distress and inconvenience he's experienced.*
- Mr H hasn't said whether he's had problems obtaining insurance products because of what's happened. If there any relevant databases, both internal and external, LV should also record why Mr H's policy was cancelled so it's clear this was due to a failing on LV's part.*
- Mr H says he had to pay for a temporary motor insurance policy so the police would allow him to continue his onward journey. I'm satisfied that were it not for LV's mistake, Mr H wouldn't have found himself in this situation, and so, I consider it*

reasonable to direct LV to reimburse Mr H the cost of this temporary policy.

My provisional decision

My provisional decision is that I uphold this complaint and direct Liverpool Victoria Insurance Company Limited to:

- *Reimburse Mr H the cost of the fine (subject to proof of payment). LV should pay simple interest at 8% a year from the date Mr H paid the fine to the date LV makes payment.*
- *Reimburse Mr H the cost of taking out the temporary motor insurance policy (subject to proof of payment). LV should pay simple interest at 8% a year from the date Mr H purchased the policy to the date LV makes payment.*
- *Pay Mr H £750 compensation.*
- *Write a letter of admission which explains that LV was entirely responsible for Mr H having driven without insurance.*
- *Upon receipt of evidence of Mr H's premiums increasing since the last year on cover with LV – LV must cover the difference between the two prices - then multiply this by four – to reflect the likely increase in his premiums across this time until the points are cleared.*
- *Update any relevant databases, both internal and external, to record why Mr H's policy was cancelled so it's clear this was due to a failing on LV's part."*

Mr H responded to my provisional decision to say he accepted the findings and provided proof of payments. LV didn't respond.

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.

As I've nothing further to consider, my final decision is the same as that set out in my provisional decision.

My final decision

My final decision is that I uphold this complaint and direct Liverpool Victoria Insurance Company Limited to:

- Reimburse Mr H the cost of the fine (subject to proof of payment). LV should pay simple interest at 8% a year from the date Mr H paid the fine to the date LV makes payment.
- Reimburse Mr H the cost of taking out the temporary motor insurance policy (subject to proof of payment). LV should pay simple interest at 8% a year from the date Mr H purchased the policy to the date LV makes payment.
- Pay Mr H £750 compensation. LV must pay the compensation within 28 days of the date on which we tell it Mr H accepts my final decision. If it pays later than this, it

must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

- Write a letter of admission which explains that LV was entirely responsible for Mr H having driven without insurance.
- Upon receipt of evidence of Mr H's premiums increasing since the last year on cover with LV – LV must cover the difference between the two prices - then multiply this by four – to reflect the likely increase in his premiums across this time until the points are cleared.
- Update any relevant databases, both internal and external, to record why Mr H's policy was cancelled, so it's clear this was due to a failing on LV's part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 1 December 2023.

Nicola Beakhust
Ombudsman