

The complaint

Mr A complains about how Ageas Insurance Limited (“Ageas”) handled a change of vehicle and rejected a claim on his motor insurance policy.

What happened

Mr A had a motor insurance policy with Ageas which started in January 2023.

In March he decided to change his car. He accessed his policy online and started to make the change. He was told that there was an additional premium of about £119 to pay which he could do by a one-off payment or by increasing his monthly payments.

But instead of making payment, Mr A clicked on another option and changed the start date for the new car to the following day. He didn’t finalise the procedure.

Because he hadn’t completed the change, Ageas’ system showed he’d simply requested a quotation. Cover didn’t transfer from his old car.

He was involved in a collision in June, for which he was held at some level of fault. He accessed his online account and updated his car details. He then reported the collision and made a claim.

Ageas said it couldn’t backdate his cover and it wouldn’t pay his claim as there was no cover in force on his new car at the time of the collision.

Another party was involved in the collision and their insurer has asked for Mr A to pay its costs.

Mr A brought his complaint to this service. Our investigator looked into his complaint and thought it would be upheld. He thought Ageas’ refusal to handle Mr A’s claim was very harsh given that he’d proven he’d sold his old car and bought the new one when he said he had, and Ageas’ system showed he’d started the process of changing the cars over.

He thought Ageas should consider the claim in accordance with the terms of its policy, deducting the additional premium Mr A should have paid from any payment Ageas make.

Mr A agreed with the view, but Ageas didn’t. It showed that Mr A had actually changed his car details minutes before he’d reported the claim.

So Mr A’s complaint has been passed to me to make a final 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.

Having read the file of evidence I’ve been provided, I’m upholding Mr A’s complaint.

I've thought about Mr A's position in March when he changed his car. It's apparent that he arranged to buy it on one particular day, then it emerged that the new car needed an MOT test, which could be done on the following day. This would mean he needed cover to start on that second day.

At some point during this process, Mr A was accessing Ageas' online system with the new car details. Ultimately he didn't actually swap the cars over on his policy.

I can see from the evidence Mr A has supplied that he did purchase the new car on the second day and sold his old car at the same time. So that means he continued to pay his premiums for the old car, while driving the new one.

So from the evidence I have I think Mr A made a careless mistake in failing to swap over the cars. I think he should have taken more care, and possibly should have realised he hadn't paid the extra premium asked of him.

But the position he then found himself in at the end of June, following a collision with a third party, and with some fault attaching to him, means that the mistake he made has had a serious impact. Ageas said it wouldn't cover his, or the third-party loss, because Mr A's cover wasn't valid.

It's important that I say Ageas would have covered the new car as a straightforward change of vehicle under Mr A's policy, albeit with an increase in premium.

Although Ageas has made no error in what it has done, I don't find the outcome of this case fair and reasonable. Mr A has continued to pay his premium for a car he no longer owns. He made a mistake in the switchover and has been placed in a very harsh position. I think his intent was clear, and Ageas was clearly going to accept his new car on cover as a replacement for the old one.

Taking this into account, I think the fair result would be that Ageas consider Mr A's claim under the remaining terms and conditions of his policy.

I also think it's fair that Mr A pays the outstanding premium from the time he swapped cars.

I'm aware Ageas has made further comments about the way Mr A reported the claim. Ageas repudiated Mr A's claim on the basis that cover wasn't in place for the claim and I've said above that I think that led to an unfair outcome for Mr A. That's the matter I am dealing with in this decision and I'm not going to comment further about Ageas' concerns here.

I've also considered the impact of legislation on Mr A's mistake and his current position, and I think it would lead to the same outcome.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. I direct Ageas Insurance Limited to consider Mr A's claim in line with the remaining terms and conditions of his policy. The additional premium owed by Mr A can be deducted from any claim payment made by Ageas, or paid by him in accordance with the terms of his agreement with Ageas.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 December 2023.

Richard Sowden
Ombudsman