

## **The complaint**

Mr S has complained about Got You Covered Limited's (GYCL) error when setting up his car insurance policy and the impact this had on him.

## **What happened**

When GYCL's agent set up Mr S's car insurance policy (on or just before 20 February 2023) he made an error. He put the wrong registration number for Mr S's car in the system and then did not follow the correct procedure when checking it was correct. This led to GYCL arranging cover for the wrong car and sending Mr S documents showing the wrong registration number and the wrong vehicle details. Mr S didn't pick up the error when he received the policy documentation. And a short time after this (on 1 March 2023), whilst on a visit to the South Coast, he was stopped by the police on suspicion of driving without insurance. He was taken to the police station due to a disagreement with the police, as he was sure he was fully insured to drive his car. And his car was impounded. He returned home to London, as he was due to attend a funeral for a close relative the next day. He then returned to the South Coast with his cover note, which he has said he recalls as being for the correct car. But the police informed him his car definitely wasn't insured. And he was charged with driving without insurance.

Mr S contacted GYCL and it admitted liability and provided him with a letter of indemnity and an insurance policy to enable him to get his car released from the compound it was in. Mr S has said that he had problems getting GYCL to accept full responsibility and – despite the fact he told them he was short of money and could not afford the fee to release his car, it said this was down to him. So, he had to borrow the money to pay this fee from his mother and managed to get his car back on 7 March 2023.

Mr S complained to GYCL and claimed for the fee to release his car and various taxi fares he'd said he had to pay to get around while he didn't have his vehicle. GYCL investigated his complaint. It wouldn't agree to cover all the taxi fares and instead paid Mr S £250 for what it has said was to cover reasonable travel expenses and to provide compensation for distress and inconvenience. Although, GYCL didn't actually tell Mr S the £250 was also compensation for distress and inconvenience. It also said it would reimburse the fee for releasing his car, although it hadn't done this by the time Mr S asked us to consider his complaint.

Mr S wasn't happy with GYCL's response to his complaint and asked us to consider it. One of our investigator's did this. He explained why he thought what GYCL had paid in compensation was enough, taking into account the fact it had also provided a policy free for a period of one month.

Mr S wasn't happy with the investigator's assessment of his complaint and asked for an ombudsman's decision. He explained that being pulled over by the police was a traumatic experience in itself. He's also said again that he had problems getting GYCL to admit liability and had to fight for two weeks before it did this. He said he's never received the £260, which his mother lent him to get his car out of the compound. He also explained that he had to attend court on the South Coast before his case was eventually dismissed and that he also had to endure being put in a police cell as a result of being arrested. Plus, he doesn't think

what GYCL has paid him for travel expenses is anywhere near enough.

I spoke to Mr S and he explained to me that he had to attend a pre-hearing on the South Coast. And his legal team told him he would have to go to the court on his actual hearing date and show the judge the letter of indemnity. He said he did this and, in the end, the Crown Prosecution Service agreed with the judge that the case should be dismissed. But the whole experience was very stressful for him. He explained that when he was stopped by the police for driving without insurance, it got a bit heated because he was so sure he was insured and this is why he ended up in a police cell for a short time. He's said that the whole situation was traumatic and very frustrating. I asked Mr S whether he could recall receiving the documents for his policy showing the wrong car was insured. He said he is sure the cover note he took to the police was for the right car. I also asked if he recalled the agent from GYCL reading his registration back to him incorrectly. He didn't seem to be able to recall whether he did or not and made the point that it was clearly an error by the agent that led to the problems he had and that GYCL shouldn't admit they got it wrong on the one hand and then try to make excuses on the other.

I issued a provisional decision on 31 October 2023 in which I set out what I'd provisionally decided and why as follows:

*Having done so, I agree with Mr S that GYCL haven't paid him anywhere near enough compensation for distress and inconvenience.*

*It is not clear exactly what GYCL intended to pay Mr S in compensation for distress and inconvenience, as it has not said how much of the £250 it paid is for travel expenses. I appreciate Mr S could possibly have contacted GYCL sooner after he was stopped by the police, as if he'd checked his full policy documents he'd have seen he was insured for the wrong car. But it was due to an error by GYCL that he was stopped and releasing his car was not straightforward, bearing in mind he didn't have the money to do it and it was stored in a compound a considerable distance from his home. It was also a very difficult time for him with the funeral of a close relative in which he was involved taking place.*

*I don't think it was necessary for Mr S to get taxi's on all the occasions he did, as I think he could have used public transport on some. Although, I do appreciate this would have been less convenient and it would have been very frustrating. And I think it was fair enough for him to use taxis on some occasions, especially for some of the shorter journeys he made. Plus, he did also have to make three journeys back to the South Coast to show his documents to the police, for a hearing and for his court case. So I think £250 in total is reasonable for travel costs for one week.*

*This means, in effect, GYCL has – in my opinion – not paid Mr S any compensation for the distress and inconvenience he experienced as a result of its error. I am however mindful of the fact that the error did also result in a saving for him on car insurance for the period when his policy started to when he put a new policy in place to cover the correct car. I say this, because if it hadn't been for GYCL's error, he would have paid for cover for this period, but instead he ended up not paying anything at all for it. And, assuming he took out another policy to cover his car just after he collected it from the compound, this would mean he'd not paid anything to insure his car for around 16 days, which at an annual premium of £3,791 would have cost him around £170. I appreciate Mr S might not see it like this, but I hope he will understand my view that if it hadn't been for GYCL's error he would have paid at least this amount to cover his car for this period, but ended up paying nothing instead.*

*This having been said, as I've already mentioned, I still think the compensation GYCL has paid for the distress and inconvenience Mr S experienced as a result of its error is far too low.*

*It doesn't look to me like GYCL took two weeks to admit its error and accept liability as Mr S*

*has suggested, as its notes suggest it had done this by 7 March 2023 and it issued a letter confirming Mr S was covered for his car on 10 March 2023, after he'd first raised the issue with it on 3 March 2023. But it doesn't look like GYCL was willing to help Mr S with the fee to release his car until after he paid it, despite him explaining he had a problem with this. And it only reimbursed the fee, which it seems was £250, when our investigator pointed out it had failed to do it.*

*As Mr S has said; not only did he have the worry and probably frightening experience of being stopped by the police and being arrested due to his refusal to accept he wasn't insured. He also had the hassle and worry of having to go back to the police station and having to attend court to explain what happened and show the letter GYCL had provided so his case could be dismissed. And the worry of not knowing whether it would be accepted and the fact he may have to face the fact that he'd lose his licence, as he already had points on it. Not only did he have to travel some distance to attend court, but the whole episode, which went on for some time, would have been a great worry to Mr S and no doubt embarrassing and annoying for him, especially appearing in court. Also, it has become clear that GYCL forgot to pay Mr S the cost of the impound fee until our investigator queried this, which would have added to Mr S's frustration.*

*In view of this, I would describe the distress and inconvenience Mr S experienced as very significant and I think the compensation due for this falls into the range described on our website as between £750 and £1,500.*

*When I am weighing up the actual amount to award, I do have to consider other factors, which in this case are the fact Mr S could have avoided the problems he had if he'd checked his policy documentation more carefully when he received it and told GYCL that it had the details of his vehicle wrong. I do not however place much weight on this or the fact that the agent read back his registration number and Mr S missed the fact he'd got it wrong. This is because people rely on the fact that what they have told their insurance provider is right and don't always listen closely enough to pick up small errors. And the reality is, people don't always check their insurance documentation. The point is that it should have been right and it wasn't due to an error by GYCL's agent and there is no real excuse for this.*

*Bearing all this in mind, I've provisionally decided GYCL should pay Mr S a further £1,000 in compensation for distress and inconvenience. And I think if it does this, it will represent a fair and reasonable outcome to his complaint.*

I gave both parties until 14 November 2023 to provide further comments and evidence in response to my provisional decision.

Mr S has responded to say he doesn't think the compensation I've awarded is enough to reflect the level of distress and inconvenience he experienced. He's pointed out he ended up in custody at the police station and that I haven't appreciated what it was like for him being arrested. He's also mentioned he was provided with a cover note for the right car by GYCL, which he took to the police. And he is not convinced its agent read back the wrong registration number to him when he set up the policy. He's also said he found the process of raising GYCL's error with them and dealing with them on it very distressing.

GYCL doesn't agree with my provisional decision. It's provided the following further comments:

- Although its agent made an error in the initial call with Mr S and did not fully follow procedures; this was perhaps led by the conversation with Mr S who switched between wanting to insure his own car and his girlfriend's car. And when the agent read out the registration number phonetically Mr S confirmed it was correct.

- Much of Mr S's distress seems to have centred around the number of journeys he had to make to the South Coast to address the impound issue. And it rectified the situation quickly and met the cost of removing his car from the compound.
- Had Mr S contacted it at the point of the initial event it could have mitigated much of the effect the unfortunate incident had on him. He could then have gone to the compound and collected his car and returned the same day in it.
- It made an offer of £250 to cover the impound fee and £250 to cover Mr S's other expenses in its final response letter. He rejected this, so it considers the payment of the impound fee was delayed because of his rejection.
- It's referenced the guidance on our website for compensation awards for distress and inconvenience of between £750 and £1,500 and it is struggling to see how what happened to Mr S meets this threshold. It thinks it did its best to rectify the issue and an award of between £300 and £750 would be more appropriate and in line with our guidance.
- Mr S could have checked his policy documentation and spotted the error in the registration number and car insured.
- The cover note Mr S has referred to as the one he took to the police cannot have been the one it originally provided, as this had the wrong registration number on it. It has provided a copy of this.
- It admitted its error within a reasonable time of Mr S raising the issue and provided him with a letter confirming cover for his car.

### **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, my view remains the same as set out in my provisional decision. I've explained why below.

I've noted what Mr S has said. And I do not doubt being stopped by the police and arrested was a very stressful experience. However, I do not have any compelling documentary evidence to show Mr S's arrest was purely as a result of him driving without insurance. So, I consider it is only appropriate to compensate him for the distress and inconvenience he experienced as a result of being stopped by the police and having to go to court on two occasions to avoid conviction, having to go back to the South Coast to collect his car and the distress of having to raise the issue with GYCL and wait for its response; all of which I consider was a direct result of GYCL's error. So, nothing Mr S has said in response to my provisional decision makes me think I should increase the award I suggested in my provisional decision in compensation for distress and inconvenience.

I've also noted the points GYCL has made, but they do not alter my view. Its agent made a mistake and I think it would have been easy for Mr S to miss the fact he read out the wrong registration number phonetically. I also appreciate Mr S could have picked up the error if he'd read the policy documentation provided to him. I also agree the cover note GYCL provided originally did have the wrong vehicle and registration number on it and Mr S could have spotted this error if he'd checked it. But I can also understand why Mr S relied on what he'd said to the agent and didn't check the documentation he was sent. And I might have awarded more compensation if these documents had not been provided to him.

I agree GYCL investigation was reasonably quick and it provided Mr S with a letter saying his car was insured and a cover note to enable him to get it out of the compound fairly quickly. But, when he rejected its offer of £500, it should have realised he still needed to pay the compound fee and contacted him so that it could at least pay this amount. The fact it didn't caused Mr S further distress and inconvenience.

I do not agree with GYCL's point about the fact Mr S should have contacted it sooner. It seems to have forgotten he had to get back home for the funeral of a close family member, which would clearly have been his main concern. So, I think his actions in this regard were reasonable.

I do not agree with GYCL's point that much of the distress and inconvenience Mr S experienced centred on him having to travel to the South Coast to address the impound issue. I consider most of it centred on the fact he was stopped by the police, having his car impounded and being charged with driving without insurance and then having to attend court twice to avoid conviction for this.

I've noted GYCL's comments on what it says on our website about compensation awards for distress and inconvenience. And – from what it has said – I do not think it really appreciates the impact of being stopped by the police, having your car impounded, being charged with an offence and having to attend court – can have on someone. In my view, this would cause most – probably all people – substantial distress, upset and worry, along with serious offence and embarrassment, as opposed to just considerable distress, upset and worry and/or significant inconvenience. So I'm satisfied compensation in the range of £750 to £1,500 is appropriate in Mr S's case. And it remains my view that for his particular circumstances, £1,000 is right.

### **Putting things right**

For the reasons set out above and in my provisional decision, I've decided to uphold Mr S's complaint and make GYCL pay him a further £1,000 in compensation for distress and inconvenience.

### **My final decision**

I uphold Mr S's complaint and order Got You Covered Limited to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 December 2023.

Robert Short  
**Ombudsman**