

The complaint

Mr F complains that Adrian Flux Insurance Services Group (Adrian Flux) allowed him to change the value of his car without informing him of the consequences of providing inaccurate information, in relation to his motor insurance policy.

What happened

Mr F had a motor insurance policy that he arranged through Adrian Flux acting as his broker. He contacted the business on 8 June 2022 to change the vehicle he had insured on his policy. He told Adrian Flux's agent the car was worth £80,000. The agent explained none of the panel insurers would provide cover for a vehicle of that value. Mr F says he asked the agent if the value could be revised down to £60,000. The agent told him, "yes" and asked him to hold the line whilst the new information was run through the system.

Mr F says the call with Adrian Flux's agent cut off at this point. He called back and spoke to a different agent. He says this agent told him the car was on the system at £80,000. Mr F asked that the quote be run with the car valued at £60,000, which the agent then did. A quote was provided which Mr F agreed to take.

On 28 July 2022 Mr F was involved in a car accident. He made a claim to his insurer which it declined. It says he'd misrepresented the value of his car. Had he confirmed the true value it wouldn't have offered cover at all, and so it declined the claim and avoided the policy.

Mr F didn't think this was fair. He says the first agent should've told him that cover couldn't be provided through its panel of insurers, and he should seek insurance elsewhere. Had this happened he says he wouldn't be in this position. Mr F explains that he isn't from the UK and isn't familiar with insurance practices in this country. He says he's a student and because of his age he feels he has been taken advantage of.

In its final complaint response Adrian Flux says it's Mr F's responsibility to ensure he provides accurate information. It says that in the first call that occurred on 8 June 2022 its agent told Mr F she would need to find out if it was possible to quote at the lower value he'd suggested for his car. It says the call terminated before its agent came back to clarify if this was possible.

Adrian Flux says Mr F called shortly afterwards, and before its first agent had concluded her enquiry. He spoke to a different agent and confirmed his car was worth £60,000 not £80,000. It communicated this information to Mr F's insurer and the policy was amended to cover his new car. The business says it provided Mr F with his policy documentation, which emphasised the importance of him providing accurate information. It doesn't accept responsibility for Mr F's claim being declined by his insurer.

Mr F didn't think he'd been treated fairly and so he referred the matter to our service. Our investigator didn't uphold his complaint. She says it's reasonable to expect that had the first agent had the opportunity to seek advice and return to the call, she would've confirmed it wasn't possible to quote using £60,000 as the car's value. She says Mr F didn't mention he'd paid £80,000 for his car during the next call. Rather, he confirmed several times that the car

was worth £60,000.

Our investigator says Adrian Flux wasn't able to confirm why the policy showed his car to be worth £59,000. But she didn't think this had a material impact on his declined claim. She says the records show policy documentation was mailed to the address Mr F had provided. Based on this evidence she didn't think Adrian Flux was responsible for the insurers decision to decline the claim and avoid Mr F's policy.

Mr F didn't agree and asked for an ombudsman to consider his complaint.

It has been passed to me to decide.

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 I'm not upholding Mr F's complaint. I'm sorry to disappoint him but I'll explain why I think my decision is fair.

For clarity I'm not considering the insurer's decision to decline Mr F's claim and avoid his policy. This has been dealt with under a separate reference. My focus here is on the role carried out by Adrian Flux and the accuracy of the information it provided to Mr F and his insurer.

I've listened to the first call Mr F made to Adrian Flux on 8 June 2022. During this call Mr F explains he had just bought a new car, and he needs it adding to his policy from 6pm that evening. The agent asks what the value of the car is. Mr F says "*£80,000*". The agent puts the call on hold whilst she obtains a quote. She returns to say that Mr F's current insurer won't provide cover above £60,000, and neither will the other panel insurers Adrian Flux uses. Mr F then says, "*can we just modify the price to £60,000 then*". In response the agent says, "*I could refer it and see if they would be able to cover it, if I popped it down a bit for you*".

In the call Mr F says, "*just mark it as £60,000...I've not had a wreck or anything and I'm a pretty good driver*". The agent then says, "*I'll pop you on hold for a few seconds and I'll quote it at £60,000*".

The call recording ends at this point. I note that both parties confirm that the call was cut off. Mr F called Adrian Flux back and spoke to a different agent. He explains he was just on a call to another agent and that he wants to insure his new car. The agent puts the call on hold to check what has been done with the policy. She then returns and confirms the car Mr F intends to insure. She asks Mr F to clarify that the value of the vehicle is £80,000. He corrects her to say the car is worth £60,000. In response the agent says, "*We've got it at £80,000, so we'll have to change that*". The agent confirms again that the value of the car is £60,000. Mr F confirms this is correct.

The call continues and Adrian Flux's agent confirms the new premium. Mr F queries whether a proof of insurance will be mailed to him. The agent confirms the documents will be sent in the post. She says it looks like the additional premium payment has been processed correctly, but that they'll call Mr F if there is a problem. The call then ends.

From listening to the calls, it's clear Mr F was told that none of Adrian Flux's panel insurers would cover his car because it was too expensive. After Mr F proposed that the value used for the quote be reduced to £60,000, the agent said she could "*refer it and see if they would*

be able to cover it". For clarity the agent doesn't say this would be possible only that she would refer it. She ends the call by saying she will "*quote it at £60,000*".

I think Adrian Flux's agent should have known it's not acceptable to artificially reduce the value of a vehicle so as to meet an insurer's underwriting criteria. But the agent didn't tell Mr F this would be accepted by the insurer. The matter was to be referred and confirmation obtained as to whether this was acceptable. The call was cut off before this could be clarified.

In the second call Mr F doesn't tell the new agent that his car is worth £80,000. He corrects her when she asks if she has the right value - and tells her it's worth £60,000. The agent re-confirms the value of the car a few moments later. Mr F doesn't mention this is significantly less than he paid for the car, or that the reason he gave a value of £60,000 is so his insurer will be able to provide a quote. Mr F knew, from his previous call, that if he gave the actual value of his car Adrian Flux's panel of insurers wouldn't be able to provide cover.

Based on this evidence Mr F provided inaccurate information about the value of his car. I acknowledge his point that he should've been told during the first call to seek insurance elsewhere. But this doesn't mean Adrian Flux is responsible for Mr F knowingly providing inaccurate information to the second agent he spoke to. The first call ended when it was cut-off. This was before the agent could clarify whether the value of the car could be reduced to produce a quote. I don't think a reasonable person would assume cover could be provided at this juncture. Mr F didn't provide the full story to the second agent, which is why cover was agreed based on an inaccurate value.

I've thought about Mr F's comments that he didn't receive his policy documents. I've seen a copy of these documents. The correct address was used. I note that Adrian Flux says this information was posted to Mr F. I don't doubt his comments that he didn't receive this information but nor do I have reason to believe these documents weren't sent.

That said the policy was updated on 8 June 2022. Mr F's accident was on 28 July. This was over six weeks later. Mr F checked during the second call with Adrian Flux that policy documents would be posted to him, so he was expecting to receive this information. I think it's reasonable that he would contact the business to query the missing documents within a couple of weeks. Had he done so he would've been alerted to check the information he'd provided was accurate and contact Adrian Flux if it wasn't to avoid his insurance being invalidated.

The purchase price and estimated value set out the statement of fact document are confirmed as £59,000. It's not clear why this value was used. It's not what Mr F confirmed during his calls with Adrian Flux's agents. We asked the business to clarify why this figure was used. It responded to say it didn't know. The value Mr F confirmed in the second call should've been used in his policy. But I agree with our investigator that this didn't have a material impact on his claim. The reason given for the avoidance was that the actual value of the vehicle was higher than the value Mr F had confirmed, and higher than the maximum the insurer was prepared to cover.

Having considered all of this, although I'm naturally sympathetic towards Mr F for the financial loss he's suffered, I don't think Adrian Flux treated him unfairly when it obtained a quote based on the information he gave. So, I can't reasonably ask it to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 19 March 2024.

Mike Waldron
Ombudsman