

## **The complaint**

Mr B has complained that Skyfire Insurance Company Limited has unreasonably refused to accept his No Claims Discount (NCD) and increased his premium for his motor policy.

## **What happened**

Mr S bought his policy through an aggregator website and declared he had seven years' NCD. Skyfire asked for proof of the NCD which Mr B supplied.

Skyfire said the format of the NCD was incorrect which meant it had to reduce the NCD from seven to three years. It was in two documents which meant it didn't show a continuous period of no claims as proof. There was also a mistake by Mr B as regards the date he passed his driving test and that a speeding offence hadn't been disclosed. This increased the premium for the policy which Mr B then had to pay. Mr B said he obtained the proof of NCD from his previous insurer or broker and there was nothing further he could do. However, Skyfire said without the NCD in the correct format, it was unacceptable.

Mr B brought his complaint to us. The investigator was of the view that Skyfire hadn't done anything wrong. Mr B disagreed so his complaint 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 this complaint. I'll now explain why.

I appreciate and understand that Mr B will be disappointed with my decision. However, my role here is to assess what, if anything, Skyfire did wrong. It may well be that there are issues with Mr B's previous brokers or insurers, but Mr B will need to complain direct to them. My role here is only to examine what Skyfire did or didn't do.

In order to assess the right amount of the premium, insurers need to have verified proof of the NCD from the consumer's immediate previous insurers. It has to be one document clarifying if any claims had been made in the previous policy year that the consumer was insured and detailing how many year's NCD that previous insurer insured that consumer for. NCD can only be used on one vehicle at a time and a consumer doesn't accumulate several different lots of NCD, as it looks like Mr B's NCD proof shows.

Skyfire said the document from Mr B's previous broker or insurer wasn't clear enough to show a total of seven years' NCD, it actually only showed three years' NCD in the correct format. So, it decided it merely proved three years' NCD which is what Skyfire then used to calculate the amount of Mr B's premium. There's nothing Skyfire is allowed to do with a consumer's previous insurer to correct that NCD. That's a matter for the consumer such as Mr B to do himself with his previous insurers, if there is a problem, which is the case for Mr B. So, I consider Skyfire did nothing wrong in allowing only three years NCD for Mr B.

Premium amounts are also affected and can be increased if there are speeding convictions and indeed mistakes in how long a person declares they have had a UK driving licence. There were such mistakes on Mr B's application for this policy from Skyfire, but the main issue is the reduction of the NCD.

All insurers have the right to assess the cost of insuring a risk, as they see fit. All motor insurers will take account of the number of years' NCD the previous insurer confirms as being correct. But it's for the applicant consumer to sort this out with his previous insurers only. There is no duty here for Skyfire to talk to Mr B's previous insurers or brokers if there appears to be something wrong with the verification of the NCD. That's for Mr B to do himself.

Obviously if Mr B runs into any problems in such dealings with his previous insurers or brokers, there is nothing to stop him bringing a complaint about them to us if needs be.

### **My final decision**

So, for these reasons it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 March 2024.

Rona Doyle  
**Ombudsman**