

## **The complaint**

Mr P has complained that Clegg Gifford & Co Limited overcharged him for his Motor Trader insurance policy over a period of five years between 2018 and 2022.

## **What happened**

Mr P had a Motor Trade policy through Clegg Gifford. He was disqualified from driving. When he got his licence back he continued with the policy. At the first period of insurance after he got his licence back, which started in June 2018, the premium increased significantly. And the premium remained high at each renewal up until 2023. At renewal in 2023 Mr P went to another insurance broker for a quote and managed to get a policy at a much lower premium with a different insurer, who I'll refer to as C. Mr P felt this suggested that Clegg Gifford had simply placed him with the same insurer, who I'll refer to as T, each year, instead of trying to obtain alternative quotes. And he thinks this is likely to mean he paid a lot more for his policy than he should have done in the period between 2018 and 2022.

Mr P complained to Clegg Gifford about this. It didn't uphold his complaint on the basis that only T was willing to provide him with cover between 2018 and 2023. And it said it was satisfied with the terms that it had offered. It explained to Mr P that it had also tried to obtain a quotation from C in 2023, but had been unable to get one due to his conviction.

Mr P asked us to consider his complaint about Clegg Gifford. One of our investigators did this. He said he hadn't found any evidence to support Mr P's view that he was overcharged between 2018 and 2022. However, he did explain that he thought Clegg Gifford had made an error in 2023 in that it had declared Mr P's conviction when it didn't need to. He pointed out Mr P hadn't lost out financially because of this, as he had moved to another insurer at a lower premium. But he did consider the error caused Mr P unnecessary distress and inconvenience and that this warranted a compensation payment of £250.

Clegg Gifford eventually agreed with the investigator's view. But Mr P did not and asked for an ombudsman's decision. He thinks the fact there were no soft searches done against his name by Clegg Gifford between 2018 and 2023 shows it did not search a network of insurers to obtain the best price for him. He says he was unaware there was a link between Clegg Gifford and T. And he feels Clegg Gifford took advantage of his driving conviction to keep his policy with T when he thought it had searched the market and obtained him the best price. He's said his new broker told him Clegg Gifford only use T. And he is sure Clegg Gifford lied to him on many occasions when he challenged them on what it had done. Specifically, he does not believe Clegg Gifford actually tried to obtain alternative quotations in 2023.

## **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've decided the outcome suggested by our investigator is fair and reasonable. I'll explain why.

As Mr P's insurance broker, under the rules covering the arranging of general insurance, Clegg Gifford needed to make sure it provided Mr P with sufficient information to make an informed choice on whether the policy it was offering was right for him. And to treat him fairly and comply with its terms and conditions it needed to identify the lowest priced products or product that it had available to it that met his demands and needs. And, based on the evidence provided by Clegg Gifford, I'm satisfied it did fulfil these obligations to Mr P between 2018 and 2022. I don't think it did in 2023 due to an error on its part, which I have said more on below.

In its terms and conditions, which it provided to Mr P, Clegg Gifford states that it uses a panel of insurers. Although, these do also say it only uses T for a number of motor insurance products. But the evidence Clegg Gifford has provided satisfies me that for Mr P's particular policy it would have tried to obtain quotes from the panel of insurers it had available for Motor Trader risks. However, I'm also satisfied that from this panel only T was willing to provide a quotation for Mr P due to his conviction between 2018 and 2022. This was a motor trader insurance policy which met Mr P's demands and needs in terms of cover. And because it was the only one available to Clegg Gifford I think it was the lowest priced product it had available.

I do of course appreciate Mr P doesn't think Clegg Gifford considered other insurers on its panel. And his view is in part based on the fact there is no evidence of searches to show it obtained quotations from any other insurers. However, as our investigator explained, if no other insurer was willing to quote there wouldn't necessarily be any evidence of searches. This would be true in 2023 when Clegg Gifford tried to obtain alternative quotations, but was unable to do so as it incorrectly disclosed Mr P's conviction.

I think Clegg Gifford made its connection with T clear in its terms and conditions. And I am not persuaded that this connection was the reason Clegg Gifford arranged Mr P's policy with T between 2018 and 2023. I am satisfied that between 2018 and 2022 it was because a policy with T was the only policy it could arrange. And it arranged a policy with T again in 2023 due to an error when it tried to obtain a quotation from C.

As I've already mentioned, Clegg Gifford did make an error in 2023 because it incorrectly disclosed Mr P's conviction when it tried to obtain a quotation from C. And this could have led to Mr P paying too much for his policy, as the one Clegg Gifford offered to him with T was much more expensive than the one its likely C would have offered if it hadn't disclosed the conviction. But Mr P didn't lose out as a result of this, as he took a policy with C through another broker. But he did experience a significant amount of distress and inconvenience as a result of this error. As it led to him being understandably concerned and frustrated.

Like our investigator, I think £250 in compensation is appropriate for the distress and inconvenience Mr P experienced and as the fair and reasonable outcome to his complaint.

### **Putting things right**

For the reasons set out above, I've decided the fair and reasonable outcome to Mr P's complaint is for Clegg Gifford to pay him £250 in compensation for distress and inconvenience.

### **My final decision**

I uphold Mr P's complaint in part and order Clegg Gifford & Co Limited to pay him £250 in compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or

reject my decision before 19 March 2024.

Robert Short  
**Ombudsman**