

## **The complaint**

Mr W complains that UK Insurance Limited, trading as Darwin('Darwin') did not fairly apply its no-claims discount to his motor insurance policy.

## **What happened**

Mr W says he took a motor insurance policy out with Darwin on 16 March 2023 and declared he had eight years no-claims. The policy was then inceptioned on 25 March 2023. Darwin said it had not been able to automatically validate Mr W's no-claims and it asked him to send proof.

Mr W says he emailed Darwin with proof of eight years no-claims from his previous insurer, but Darwin kept asking him for the same information. Darwin then sent a letter to Mr W saying there was a discrepancy with the no-claims and it had recalculated his insurance premiums. It said he only had seven years no-claims and asked him to pay an extra £33.18. Mr W says he continued to email Darwin with the letter from his previous insurer.

In July 2023, it appears Mr W fell behind with his direct debit payments. I understand Mr W said he did not accept the amount Darwin was going to debit from his account and so he stopped his payment. He said that he wanted Darwin to get his payments right and then he would bring his account up to date. On 10 July 2023, Darwin wrote to Mr W to say it would cancel his policy within seven days if he did not contact it. This was because he was behind with his payments. On 19 July 2023, it wrote to Mr W again to say it had cancelled the cover and that he had an outstanding balance of £38.17.

Mr W complained to Darwin. It did not uphold his complaint but offered to reduce the outstanding balance.

Mr W then complained to the Financial Ombudsman Service. Our investigator considered the matter. She said she thought it was fair that Darwin cancelled Mr W's policy because he hadn't paid his monthly payment. She also said Mr W had most likely sent proof of eight years no-claims and Darwin made a mistake when it said seven years. Our investigator concluded that Mr W had been inconvenienced by Darwin because of that. She recommended that Darwin pay £50 to compensate Mr W.

Darwin strongly disagreed with our investigator's view. It said that as its validation team had looked at the information Mr W had sent, it must have showed seven years.

As Darwin did not agree with our investigator's view, the matter has been passed to me for an ombudsman's 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.

I uphold this complaint. I'll explain why.

The terms and conditions that apply to the policy say that where Mr W pays for his policy monthly, the cover can be cancelled if he misses a payment. In those circumstances, the policy says that Darwin would give seven days' notice of cancellation.

I can see that Darwin wrote to Mr W and said that the policy would be cancelled unless he got in touch with it by telephone. I can see Mr W did email Darwin to reiterate his discontent that the proof of no claims had not been dealt with but there appears to have been no arrangement to reinstate payments. I can see why Mr W would have been frustrated by Darwin's mistake. But I think it would have been reasonable for him to keep making his payments. On that basis, I agree with our investigator that it was probably fair for Darwin to cancel the policy at that stage.

However, I am satisfied that Mr W did send proof of his no claims to Darwin on a number of occasions. For example, I have seen an email dated 28 March 2023 and timed at 12:24pm in which Mr W sent an email to Darwin showing the letter from his then insurer. That letter is dated 16 March 2023 and says clearly that his no claims discount will be eight years when the policy lapses on 25 March 2023.

I can also see that the same letter from the previous insurer was emailed to Darwin again on 12 May 2023. I accept that part of the letter is not shown in the screenshot. But I can see that it is essentially the same document with the same date and reference number.

Darwin's response to our investigator appears to be that as its validation team recorded seven years no-claims, then Mr W's correspondence must have said seven years. To be clear, I have seen absolutely no evidence that the correspondence Mr W sent said he had seven years no-claims. On the contrary, I have seen correspondence from his previous insurer that said he had eight years no-claims. On balance, I am satisfied that he told Darwin he had eight years no-claims.

With all of this in mind, my decision is that Mr W sent correspondence to Mr W showing he had eight years no-claims with his previous insurer. Darwin then recalculated the premium because of a discrepancy with the no-claims discount. The discrepancy identified by Darwin remains unclear. However, it should have taken action to explain to Mr W what that discrepancy was. It is not enough for Darwin to say Mr W must have made a mistake and sent correspondence saying he had seven years no-claims because the evidence I've seen does not support that contention.

I agree with our investigator that Mr W has been inconvenienced by repeatedly sending the same information to Darwin without a clear answer as to why it said he only had seven-years in no-claims. I further agree with our investigator that Darwin should take action to put that right.

### **Putting things right**

I require Darwin to pay £50 to Mr W to compensate him for the inconvenience I have identified above.

### **My final decision**

I uphold this complaint about UK Insurance Limited, trading as Darwin.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 24 April 2024.

Nicola Bowes  
**Ombudsman**