

The complaint

Miss G's complaint is about a number of policies sold to her by Adrian Flux Insurance Services Group ('Adrian Flux') including motorhome insurance, personal possessions cover and vehicle hire insurance, all intended to cover the use of her motorhome.

Miss G is unhappy with the policies Adrian Flux sold her as well as the way in which they handled her claims when her motorhome and all of her possessions within it were stolen when she was abroad.

What happened

The history of this complaint is well known to both parties, so I won't repeat it here in any great detail save to say that Adrian Flux sold Miss G a number of policies intended to cover her whilst she was living in her motorhome on a full time basis and travelling abroad.

When Miss G's motorhome was stolen with all of her possession within it whilst she was abroad, she found that the insurer of the policy would never have offered her cover had they known she was living in the motorhome full time. Adrian Flux communicated this to Miss G when she contacted them to claim on the policy, so she was left without any assistance to manage the loss, including becoming homeless. Adrian Flux have since accepted that they were made aware that Miss G was living in the motorhome full time when she was sold and renewed her policies with them.

Miss G provided detailed testimony about the considerable impact of being left without cover when her home was stolen as well as all her possessions, including her passport and bank cards. She's provided evidence from her Doctor to support the impact this on her mental health and testimony about the disruption and difficulties she was exposed to as a consequence of being left without assistance whilst abroad when she thought she had cover in place to mitigate the impact of the loss she suffered.

Our investigator considered Miss G's complaint and concluded it should be upheld. He thought that Adrian Flux had treated Miss G unfairly and directed them to pay her £500 in compensation for the distress caused to her and reimburse her travel costs. Adrian Flux agreed but Miss G didn't so the matter was passed to me to determine.

After considering Miss G's complaint, I asked the investigator to communicate to the parties that I'd made some provisional findings. I agreed broadly with the findings of the investigator namely that:

- It was made clear to Miss G during the sales call in 2022 that she was only covered for personal possessions in the UK. As such Adrian Flux did nothing wrong in respect of the sale of this policy.
- Miss G was mis-sold the motorhome insurance policy because the underwriter said they would never have offered it had they known she was living full time in the motorhome when she'd made clear that this was what she was doing during the sale and when she took out the same policy with Adrian Flux the previous year. Adrian Flux are not disputing this.

- Adrian Flux caused delays to Miss G's claim being considered and paid by insurers, who accepted her claims (excluding personal possessions) despite their position that cover would not have been offered had full time living been disclosed to them.
- Adrian Flux caused distress and loss to Miss G by failing to recognise that the hire vehicle policy entitled her to a payment of £100 per day for 14 days after the loss of her vehicle whilst abroad, which would have minimised the impact on her had they done so and directed a claim under the policy, which was eventually paid by the insurer sometime later.
- Adrian Flux caused loss to Miss G who wouldn't have incurred about £500 in train fares had they recognised she could make a claim on the vehicle hire policy and initiated this on her behalf or directed her to do so herself.

I did not however agree that the sum the investigator suggested to compensate Miss G for Adrian Flux' failings went far enough to recognise the impact their actions had on her. In particular I said that I'd seen a letter from Miss G's doctor setting out the impact this had on her mental health, which is still continuing, the considerable disruption Miss G was exposed to after her motorhome and all of her belongings (including bank cards and passport) were stolen or the difficult conditions Miss G was exposed to as a consequence of being left without assistance abroad when she ought to have been covered for this situation. In addition I pointed out that I'd taken into account the way in which Adrian Flux handled Miss G's complaint by not accepting any wrongdoing in the first instance and instead passing the matter to insurers, the fact that Miss G was put to considerable stress and inconvenience in having to pursue her claims through insurers sometime after the incident, after being told by Adrian Flux that no cover was available when it should have been and in fact was in relation the vehicle hire policy. Overall, I expressed that it was my view a higher award of compensation was appropriate in this complaint and said that Adrian Flux should pay Miss G both the cost of her train fares, which she otherwise would not have incurred if correct information and assistance had been given to her, and £1500 for the distress and inconvenience caused to her.

In addition, I explained to the parties that I asked the investigator to contact the underwriter of the policy to ascertain whether they would be prepared to cover any third-party motor insurance claims should these surface at some later date because Miss G had expressed concern about potentially not being properly insured for this during the policy year. I explained that if the underwriter was not prepared to cover these potential future losses, should they arise, I intended to direct Adrian Flux to cover them by way of instructing a loss adjuster to assess them and pay them accordingly under the existing motorhome policy terms. I asked both parties to provide me with any comments or submissions they wanted to make in respect of my provisional findings.

Both parties responded. Miss G accepted my provisional findings in relation to the compensation award but felt that she made it clear during the sales call in 2021 with Adrian Flux that she needed cover for everything including her personal possessions and that this wasn't carried through in 2022 when the policy changed to a new underwriter. She also said that she was not aware that she was paying for multiple policies from different insurers with different limitations on cover. Miss G says she was told she was purchasing 365 days of European cover and that Adrian Flux misrepresented the position to her particularly because she made it very clear that she was planning to stay abroad for 12 months.

Adrian Flux also provided a response to my provisional findings. They said they didn't think the increase in compensation was fair and felt a significant proportion of the distress suffered by Miss G was as a result of the theft of her campervan. They asked for clarity about the specific elements of the complaint that led to my increasing the compensation award. They also asked for an explanation around how Miss G's Doctor separated the impact of Adrian

Flux' actions on Miss G's mental health from the impact of the loss, for which they were not responsible.

I relayed to Adrian Flux that I'd considered and had regard to Miss G's testimony in relation to the impact of the mistakes made by them and given greater weight to it than the investigator. I referred them to the detailed testimony of Miss G about the impact of their actions within the complaint form in particular. I also explained that Miss G's Doctor hadn't commented on the impact of the loss of her motorhome versus Adrian Flux' actions, but I took the view that the latter was enough to considerably exacerbate what was already a very upsetting incident and the award I was proposing accounts for that. I also pointed out that in December 2023 Miss G's Doctor did specifically reference the refusal of her claim by insurers as Miss G's reported cause of a decline in her mental health. The Doctor also reported that Miss G felt anxious, had panic attacks, has been depressed, unable to sleep, has flashbacks of the events and on occasion has contemplated ending her life due to the distress. I explained he referenced that she is now seeking appropriate help via counselling. In response to this Adrian Flux said they had nothing further to add.

The policy underwriter did initially respond to my request for clarification about whether they would be prepared to cover any third-party motor insurance claims should these surface. They misunderstood my request, so the investigator clarified the position again. Following this the underwriter didn't respond.

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 remain of the view that Miss G's complaint should be upheld for the same reasons and in the same way set out in my provisional findings that were communicated to both parties.

I appreciate that Miss G feels strongly that the personal possessions cover should have extended to her claim but having listened to a call recording of the relevant sale of the policy, I'm satisfied that Adrian Flux did explain the limitation on cover for this specific policy and Miss G confirmed her agreement to it. As such I don't think they need to do anything further in respect of this.

Miss G has said she's unhappy she was sold several different policies by Adrian Flux. Whilst that might not have been made clear to her at the time she took them out initially, she would most likely have received several different policy documents for them following the initial sales call. So, when she came to renew those policies in 2022, I think she would or should have been reasonably aware there was more than one insurance being taken out. In any event I don't think the sale of a package of policies is a failing in itself. The issue is whether Adrian Flux sold her policies that were unsuitable given what she'd told them and that this was not made clear to her. My determination is that there were several failings in respect of this as noted above. I've set out what they should do to put things right below.

Given the Financial Ombudsman Service has not been able to obtain confirmation from the underwriter of the motorhome policy about whether they would be prepared to cover any third-party motor insurance claims should these surface, I take the view that Adrian Flux should also cover any losses that arise out of this possibility, however remote. I've set out how they should do this in my award below.

Putting things right

Adrian Flux should:

- Reimburse Miss G for the train fares she incurred as a result of failing to explain to her that she could have made a claim on her vehicle hire policy or initiated this on her behalf.
- Pay Miss G £1,500 for the considerable distress and inconvenience caused to her as a result of their actions as well as the ongoing impact of this on her mental health.
- In the event that a third-party claim against Miss G surfaces for the policy period that is the subject of this complaint, and if the underwriter is not prepared to cover these losses, Adrian Flux must compensate Miss G for them. They should do this by instructing a loss adjuster to assess the claim under the terms of the motorhome insurance policy and if applicable, pay them.

My final decision

I uphold Miss G's complaint and direct Adrian Flux to put things right as set out in this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 13 September 2024.

Lale Hussein-Venn
Ombudsman