

The complaint

Miss B complained that her broker, BISL Limited ("BISL") unfairly cancelled her motor policy because it had identified anomalies in the details used when she applied for her policy. She said this led to her paying higher premiums.

What happened

Miss B provided her broker, BISL, with information about herself when she arranged her motor policy. BISL tried to verify this information against the "CUE" database, which is an industry wide tool used to record claims made by individuals across different insurers.

BISL identified anomalies in the information, so asked Miss B to contact her previous insurers if any of the information held on "CUE" was incorrect. BISL asked Miss B to provide written evidence of any errors on CUE. As this specific information wasn't received by BISL from Miss B by the date it requested, it cancelled her policy in line with the details in the letter it had sent. It also refunded her some of the premium paid.

BISL said if the information held on "CUE" was correct, it would need to increase Miss B's premium by around £1,000 to reflect her historic claims history.

Miss B is unhappy as she said all this happened when she was on holiday, and she had to secure new insurance with a different provider at short notice and the cost was around £400 more than she had been paying. BISL offered £100 for the distress caused, as it said it should have contacted Miss B to inform her that she had furnished her with the wrong information.

Our investigator decided not to uphold the complaint. She thought the £100 compensation offered by BISL was fair for the reasons it had set out. She didn't think there was evidence that Miss B had been financially disadvantaged. Miss B disagreed, so the case has been referred to an ombudsman.

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 can't see that Miss B has been financially disadvantaged by the sequence of events. There is no evidence to support this. Although Miss B's new policy was around £400 more than what she had been paying, I can see on Miss B's new insurance policy, she had declared a previous claim. I can also see her voluntary excess was slightly lower. So, these different factors would lead to a different price.

There will be many reasons why policies are dearer or cheaper, and often it's based on commercial decisions of different insurers. BISL have indicated had it received the correct information, it was likely its premiums would've been higher. And as I have outlined, there were factors that contributed to Miss B's policy being dearer with her new insurer. So, I don't think the price differential is unjustified or a surprise. I don't think there is evidence Miss B

has suffered financially from what has happened. Therefore, I don't uphold this aspect of the complaint.

I've considered whether I think BISL were fair to cancel the policy. It said it did this as it didn't receive the correct information from Miss B. I have reviewed the information Miss B did send to BISL and it related to her no claims bonus, rather than her claims history which is what BISL asked for.

Miss B has shown how she'd tried getting the information changed on CUE and it seems this took longer than it should've done. However, as this wasn't BISL's fault I can't say it did anything wrong here. As BISL cancelled the policy in line with the letter and details in which it had advance warned Miss B about, I don't think it has done wrong by cancelling the policy.

However, I do think when it received the incorrect information, it could've contacted Miss B to discuss this. BISL has acknowledged this and has offered £100 as a goodwill payment for this mistake. I think is fair in the circumstances.

Miss B said she was distressed when she had to buy insurance whilst she was on holiday and at the last minute. She said this impacted her premiums. From my review, it appears the new policy wasn't incepted until 16 days after the previous policy was cancelled. Therefore, I don't agree it was done at the last minute and would've impacted premiums.

Therefore, for the reasons I've set out, I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint. I don't require BISL Limited to do anymore. However, Miss B is still entitled to receive the compensation BISL offered, and she should contact it, should she wish to now receive it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 8 May 2024.

Pete Averill
Ombudsman