

## **The complaint**

Mr S complains U K Insurance Limited trading as Direct Line Car Insurance (UKI) did not make updates to his motor insurance policy correctly when he changed his car. And it would not cover for the financial loss to him when it was found the new car was a stolen vehicle.

UKI are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As UKI have accepted it is accountable for the actions of the intermediary, in my decision, any reference to UKI includes the actions of the intermediary.

## **What happened**

Mr S contacted UKI to update his motor insurance policy. He gave details of a new car he had bought and asked to change cover from his old car to this new car.

A short time after he bought the car the police advised him it was a stolen car. The car was taken away by the police.

When Mr S contacted UKI it was found it had not updated his policy with the new car details. It apologised for its error but said it was unable to pay him out as it was a stolen vehicle that he had bought.

At Mr S's request UKI said it would send an email to confirm this for him, however it failed to do this in the timescale it advised.

UKI accepted it had made some administration errors and its customer service could have been better. It apologised and paid Mr S £100 compensation for the poor service received. However it confirmed it was not able to provide cover on a car Mr S did not own.

Because Mr S was not happy with the way UKI handled the issues raised, he brought the complaint to our service.

Our investigator did not uphold the complaint. They looked into the case and said UKI acted reasonably in explaining why they couldn't provide cover on a stolen car. It acknowledged that there were customer service issues and offered compensation of £100. They said they were satisfied UKI hadn't acted unfairly.

As Mr S is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## **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 looked at the timeline of events and listened to the calls between Mr S and UKI.

Mr S bought the car on 29 August 2023. He paid for it by a bank transfer and a large amount of cash.

On 30 August 2023 Mr S contacted UKI by phone to make the change to his motor insurance policy. During this call UKI's advisor confirmed the car details were changed with immediate effect. Mr S also asked for a quote for his policy renewal, which was due in the next few days, on the new car. Mr S was given the cost of the policy renewal on the new car and this was accepted by him. UKI's advisor confirmed the renewal would be automatically done for him on the new car.

On 5 September 2023 after the police had removed the car from Mr S due to it being a stolen vehicle he made a call to UKI's claim line. During this call it was found the details held by UKI on his policy were still that of his old car. The update to the new car had not transferred to the renewal. UKI accepted this was an administration error.

UKI made Mr S aware it was unable to insure the car as it was stolen and therefore ownership was not in his name. It said it was unable to insure a stolen vehicle. Mr S's policy was cancelled.

On 6 September 2023 Mr S called UKI again to update his policy to another car. UKI's advisor said the policy had been cancelled due to *medical reasons* and that he would need to set up a new policy.

I listened to this call and although Mr S did say he had cancelled the policy as he no longer had the car, he did not cancel it due to medical reasons. UKI said it believed the wrong reason had been chosen from its internal portal when it had recorded the reason for cancellation. It confirmed this error had not had any effect on Mr S going forward.

During this call, at Mr S's request, UKI provided a quote to set up a new policy for the car. UKI's advisor went through all the required questions and gave a quote. Mr S asked for the advisor to call him back later to see if he wished to take up the policy.

On 14 September 2023 Mr S called UKI again. He asked for UKI to send him an email stating that it was unable to give motor insurance cover for the car that had been found to be stolen after he had bought it. UKI agreed to do this in the next three hours. UKI accepted it did not take the correct action and the email was not sent as it had agreed.

Mr S said he was transferred between departments many times when calling UKI. In the calls I have listened to I did not see any evidence of unreasonable transfers by UKI between departments. I did see evidence of a call back from UKI to Mr S to clarify it was unable to insure a stolen vehicle.

I am very sorry about the situation that Mr S found himself in when it was discovered he had bought a stolen car despite him making checks and taking other precautions. It must have been very stressful for him and to then have to deal with the administration errors that UKI had made on his policy would have likely increased this stress.

After considering the administration errors made by UKI, I am satisfied they did not have an impact on the outcome of cover not being provided for the stolen car Mr S had bought. UKI are not able to provide an insurance policy for a vehicle that Mr S is not the legal owner or keeper. This is the same for any insurer.

I recognise Mr S has been a victim of a crime and lost a lot of money when he bought the car in good faith, but I can't hold UKI responsible for this loss.

I know that Mr S will be disappointed with my decision, but I think the apology made by UKI and the offer of £100 compensation for the poor level of service received for the administration errors and failing to email him is fair and reasonable in the circumstances of this case.

Therefore, I do not uphold Mr S's complaint and do not require UKI to do anything further .

### **My final decision**

For the reasons I have given I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 May 2024.

Sally-Ann Harding  
**Ombudsman**