

The complaint

Mr H complains about the service he received from U K Insurance Limited trading as Direct Line (UKI) when renewing his van insurance policy.

What happened

Mr H's van insurance policy with UKI was due for renewal. He contacted UKI to renew the policy, the price was reduced, and the policy was ultimately renewed.

However, Mr H then received multiple documents from UKI in the post. This included multiple renewal documents that reflected the incorrect price, and another document which said the policy would be cancelled from renewal.

Mr H complained to UKI that they'd sent him multiple conflicting documents via the post, including one set which said his policy had been cancelled. Mr H also complained that UKI had called him by his first name, and that they'd issued a response to his complaint without his authority.

UKI responded to Mr H's complaint and disagreed they'd sent conflicting information and they said there was an issue with taking payment, and each time an amendment was made, documents were issued. They also said they were correct to issue a response to his complaint but apologised if calling him by his first name caused offence.

As Mr H remained unhappy, he approached the Financial Ombudsman Service.

One of our investigators looked into things and upheld the complaint. She said that Mr H had been quoted a higher amount for his policy as it had his late mother on it, but he said he'd made UKI aware of this previously. After Mr H's late mother was removed from the policy, this reduced the price. Due to UKI's payment system issues, multiple attempts were made to take the payment for renewal. But unknown to Mr H, this resulted in multiple sets of renewal documents being sent. And alongside this, a cancellation letter was also generated, but this didn't reflect the conversation Mr H had with UKI. All the documents then arrived, unexpectedly, on Mr H's birthday and this caused him distress, and inconvenience.

The investigator recommended UKI pay Mr H £120 compensation, but UKI didn't agree.

As an agreement couldn't be reached, the case was passed to me for a final 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.

Having done so, I've reached the same outcome as our investigator.

I don't intend to comment individually on every event, communication or point that has been raised. Instead, I've focussed on what I consider to be key when reaching my final decision

on what is fair and reasonable in all the circumstances. Having said that, I'd like to reassure both parties that I've considered all the information they've provided when reaching my final decision.

Firstly, I can see from UKI's final response that Mr H had complained about being called by his first name, and that UKI issued a final response to his complaint without his authority. UKI apologised if Mr H was caused offence by being called by his first name, and I think that is sufficient to put that right.

As part of the Financial Conduct Authority complaint handling rules, UKI is obligated to issue a response to a complaint raised. As Mr H was unhappy with how UKI had acted, they raised this as a complaint and issued a final response and gave referral rights to this service. I don't think UKI acted unreasonably by doing so.

The main element of Mr H's complaint is that following the renewal of his van insurance policy, he was sent multiple documents and conflicting information. And Mr H wants to be compensated for this.

Mr H called to renew his van insurance policy with UKI. Due to system issues, UKI had difficulty taking payment. This is reflected in UKI's call notes which say they were having difficulties taking the payment, and Mr H was transferred to another agent. The policy was then renewed, and feedback logged internally about the payment system not working.

I understand from what Mr H has said that his late mother was removed from his policy, and this then reduced the price. UKI says that they weren't aware this needed updating before renewal, however, Mr H has said he already made UKI aware of this, across the multiple other policies he has with them.

Following the policy being renewed, Mr H then unexpectedly received multiple sets of renewal documents via the post. Mr H has sent a photo of six sets of identical documents he received, which all showed the incorrect renewal price. Alongside receiving the bulk of identical (incorrect) documents, he was also sent another document which said, "*Sorry your leaving*" and that his policy would end at renewal. And separate to these documents, he received a set of renewal documents which said the policy had been renewed, and at the correct price. And all these documents (in excess of 200 pages) were received on Mr H's birthday.

I can see why Mr H would be unhappy with this, not only did he unexpectedly receive a very large bulk of unnecessary documents, but they gave conflicting information around the price of the policy (which included multiple documents which showed the incorrect price), and another said the policy had been cancelled when Mr H believed it had renewed.

UKI has said that when there is an issue with taking a payment, at times, they create a mid-term amendment (without actually making changes) to see if this resolves the system issue. And they say that when they do this, this results in a set of documents being issued.

So, it seems that due to the issues with taking payment (which was caused by UKI's system issues), this meant multiple sets of documents were then issued. And UKI has said that the cancellation notice was automatically sent as initially it was discussed that Mr H would be called back to take the payment, so the automatic renewal was cancelled, but he then wished to pay that same day. I've listened to the call, and UKI did say that they'd stop the automatic renewal so Mr H could make the payment via card, but they didn't go into detail around what that actually meant.

Whilst I appreciate UKI's payment system issues and attempts to resolve this may have resulted in multiple documents being generated, this wasn't explained to Mr H. And whilst he was told the automatic renewal would be stopped so he could make the payment by card, he wasn't told this would then generate a cancellation notice being sent.

Therefore, I can see why Mr H would be unhappy, concerned and found it distressing unexpectedly receiving multiple documents, showing information which didn't reflect the call he had, including that his policy had been cancelled. And receiving these on Mr H's birthday added to the impact this caused to him. Had UKI managed Mr H's expectations and explained that he'd be receiving multiple (and inaccurate) documents, this wouldn't have come unexpectedly or impacted him in the way that it did, so this could have been avoided if UKI had explained things at the time to Mr H.

Our investigator recommended UKI pay Mr H £120 compensation for the distress and inconvenience caused to Mr H, but UKI says this amount is too much and not reflective of the situation that occurred. However, as UKI is aware, when we look at making compensation awards where things have gone wrong, we don't just use a set sliding scale for the situation, i.e., a specific error equals a specific amount. Instead, we consider the specific impact to that individual customer. And it's clear from all the information and testimony from Mr H that receiving multiple conflicting documents unexpectedly (and on his birthday) caused Mr H considerable distress and inconvenience.

Whilst other customers may have considered the impact of this differently to Mr H, I'm considering the individual impact to Mr H. And I agree with our investigator that £120 is a fair and reasonable amount of compensation in the circumstances for what happened and the impact this had on Mr H, so that's what I'll be directing UKI to pay Mr H.

My final decision

It's my final decision that I uphold this complaint and direct U K Insurance Limited trading as Direct Line to:

- Pay Mr H £120 compensation

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

Callum Milne
Ombudsman