

## **The complaint**

Mr D complains CIP Insurance Brokers Ltd mis-sold him a taxi drivers insurance policy.

## **What happened**

Mr D has taken out insurance for his taxi through CIP since 2019. In 2021, he contacted the police as he was concerned about the validity of his taxi insurance. He provided the police with information recorded on the Motor Insurance Bureau's (MIB) database. This had some information about his taxi and the insurance cover he had. The police said based on the information provided by Mr D, it couldn't be sure he had the right insurance for his vehicle. So Mr D contacted CIP to say based on the police's response, that he's only been provided cover for public hire taxi use, which is not what he needed.

CIP contacted the police to determine what had happened with Mr D. It sent a copy of Mr D's insurance certificate for the relevant year to the police. Having read that, the police officer confirmed Mr D did have the appropriate taxi insurance for public hire use and for the carriage of passengers/goods for hire and reward. CIP passed this information on to Mr D to assure him he was sufficiently covered to provide his taxi services.

Mr D said CIP were being dishonest. In November 2023, CIP sent Mr D a final response letter. It said it refuted Mr D's allegations of dishonesty and attached his policy documents showing the cover he'd taken out. It said what the MIB had recorded on its systems is outside of its control. It also said Mr D was currently benefitting from nine years (maximum) no claims bonus, which was (as of January 2024) unprotected.

Unsatisfied with CIP's response, Mr D brought his complaint to the Financial Ombudsman Service. He said his insurance premium had doubled over the years and after the complaint was brought to our Service, he told us his taxi renewal licence is being withheld. He also provided this Service with a copy of a penalty notice he'd received from driving in a bus lane and the appeal decision he'd received. That decision said his taxi license was not valid.

He said his no claims bonus had been taken away and all of the evidence he had showed CIP's actions had been dishonest.

Our Investigator was satisfied that CIP had sold Mr D the right taxi insurance which allowed him to carry passengers. She didn't think the information he'd provided from the police, or the MIB showed that his policy documents were wrong, or CIP had set up his insurance incorrectly.

She said as CIP are the broker, it is responsible for setting up Mr D's policies, but it doesn't set the prices. So she said Mr D would have to complain about the insurance premium with the insurance provider, not CIP. That being said, she said the information provided by CIP about his policy premiums hadn't shown they'd doubled over the years.

Our Investigator noted Mr D had provided a copy of a penalty notice he'd received for driving in a bus lane. The appeal letter he provided said he doesn't have a valid taxi license. The Investigator said that, as an insurance broker, CIP do not issue taxi licenses, nor is it involved in them being issued. So Mr D would need to contact whoever is responsible for issuing his taxi license.

Mr D didn't accept the outcome of our Investigator. He provided a letter from a previous broker, sent to him in 2019, outlining a renewal premium for his insurance that was set to renew in April 2019. The broker said it could arrange cover with an insurer for around £1,300. Mr D didn't accept this, and instead took out insurance through CIP for £1,000.

As Mr D didn't agree, the matter has come to me to decide.

### **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.

As this is an informal service, I'm not going to respond to every point or piece of evidence Mr D and CIP have provided. Instead, I've focused on those I consider to be key to determining the complaint. But I would like to assure them I have considered everything provided.

I understand Mr D feels very strongly that CIP has mis-sold insurance to him, but having considered all of the evidence provided, I'm satisfied CIP has fairly sold taxi insurance to Mr D.

Mr D said he's had a taxi for around twenty years. He says information stored on the MIB shows he's been sold public hire taxi insurance. But he needs public hire, carriage of passengers and hire and reward, in order to carry out his business.

What information is stored on the MIB isn't something this Service can investigate. As the MIB isn't covered by the remit of the Financial Ombudsman Service. But I can look at the insurance CIP sold to him between 2019 and 2023. And having done so, I'm satisfied that for each year, CIP arranged cover for:

*"Public Hire*

*Use for social domestic and pleasure purposes and for carriage of passengers and/or goods for hire and reward."*

This wording is the same on all of Mr D's policy schedules. I'm satisfied this allows him to carry out the work he's described as a taxi driver.

CIP provided this policy schedule to the same police officer who told Mr D she didn't think he had the right level of cover. The police officer responded to CIP to say based on the policy documentation, she was satisfied his taxi work could legally be carried out. This Service has provided Mr D with a copy of this letter from the police. However, unfortunately, the police officer referred to Mr D by another name in that letter. The letter refers to a Mr C, not a Mr D. This has understandably caused confusion to Mr D. But having read the police officer's response, I'm satisfied it is Mr D she's referring to. I say this as she's replying directly to CIP about Mr D's policy.

So I'm satisfied the police officer has confirmed Mr D can legally carry out his taxi work with the insurance arranged by CIP. I hope this letter, and a final decision from this independent service, gives Mr D the comfort that he has been legally insured between April 2019 and April 2024 for his taxi work.

Because I find CIP has arranged the right insurance for Mr D, it follows that it doesn't need to pay compensation to him or refund the premiums he's paid over the years.

In support of his claim that his insurance has doubled, Mr D provided this Service with a letter from his previous broker, dated 2019. I can see from this he was quoted £1,300 for insurance in 2019, but instead arranged cover through CIP for £1,000. I can't look at the

actions of the previous broker as part of this complaint against CIP. And as our Investigator has set out, any complaint about the price of the insurance would need to be directed to the insurer, as it is the insurer, not the broker, that decides on the price to charge.

Mr D has made reference to CIP taking away his no claims discount. However, there's no evidence it has done so. CIP said in April 2024 that Mr D had nine years no claims bonus. I'm satisfied Mr D can rely on this information when taking out future insurance.

It seems from the correspondence that Mr D's shared with this Service that he's had trouble with his taxi license. He's said this is impacting his work and causing extreme financial hardship. However, CIP, as an insurance broker, doesn't arrange taxi licenses. From my understanding, taxi licenses are issued, in Mr D's case, by the Driver and Vehicle Agency (DVA).

### **My final decision**

My final decision is that I don't uphold this complaint, and I don't direct CIP Insurance Brokers Ltd to take any action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 27 May 2024.

Michelle Henderson  
**Ombudsman**