

The complaint

Mr B and Mrs B complain about how First Complete Ltd trading as PRIMIS Mortgage Network (PRIMIS) incorrectly recorded date of birth and occupation details under their home insurance policy.

References to PRIMIS include their agents who administer the policy and assess claims.

What happened

In October 2021 Mr B and Mrs B took out a home insurance policy with PRIMIS over the phone, running through the details with an agent. Two years later Mr B and Mrs B received a renewal notice with the premium more expensive than cover elsewhere. They tried to access their policy through an online portal, but their details didn't match up (the date of birth input by Mr B was rejected). So they called PRIMIS, and it emerged some of their details were incorrect, specifically Mr B's date of birth and occupation.

PRIMIS said they could correct the details, but when they did so they said an additional premium of £9.34 was due, together with administration fee for making changes to the policy. Mr B and Mrs B didn't think they should have to pay the additional premium and fee because they hadn't made a mistake with the details when they took out the policy. As they wouldn't pay the fee, PRIMIS cancelled the policy. Mr B and Mrs B were also concerned that had they made a claim under the policy, the incorrect details meant PRIMIS wouldn't have accepted any claim. PRIMIS emailed Mr B and Mrs B to say that if a claim been made, it would have been honoured and that Mr B and Mrs B would be charged for the changes.

Mr B and Mrs B didn't respond to the email, so PRIMIS logged their concerns as a complaint. In their final response, PRIMIS noted an incorrect date of birth and occupation had been recorded when the policy was taken out, and when corrected meant an additional premium of £9.34. Having listened to the call with the agent when the policy was taken out, PRIMIS said it was clear Mr B and Mrs B gave the correct details. But it wasn't clear why the details were recorded incorrectly.

PRIMIS noted the call included mention to Mr B and Mrs B they should check the policy documents (in particular the Statement of Fact) that would be sent to them and to correct anything that was incorrect. Their records indicated Mr B and Mrs B didn't access the documents at the time of the quote in 2021, but the documents would also be sent at subsequent policy renewal dates, and PRIMIS noted they did access the documents at policy renewal in 2022.

The additional premium was calculated from the date Mr B and Mrs B contacted PRIMIS to tell them about the incorrect details to the policy renewal date (less than a month). When applied to the renewal for the year from October 2023, the increase in renewal premium was over £100.

As Mr B and Mrs B had received the documents (with the incorrect information) they'd had the opportunity to correct the incorrect information, PRIMIS said they would uphold the complaint in part. As they'd made an error in recording the information incorrectly, PRIMIS apologised to Mr B and Mrs B.

Mr B and Mrs B then complained to this Service. They said they'd paid for two years of a policy that was void because of the incorrect details. They thought this was shown to be the case by PRIMIS cancelling the policy when they didn't pay the administration fee. The incorrect information was the fault of the agent when taking out the policy, the reason for which they hadn't been told. They were also unhappy at being told it was their responsibility to check the policy information – when they couldn't as the incorrect date meant they didn't have access to the online portal. They wanted PRIMIS to refund them two years' premiums.

Our investigator didn't uphold the complaint, concluding PRIMIS didn't need to take any action. PRIMIS had recognised the error but hadn't provided an explanation. Listening to the call taking out the policy, Mr B and Mrs B gave the correct information and were told to check the documents to ensure the information was correct, but the evidence indicated the documents sent weren't accessed. The documentation was emailed to Mr B and Mrs B in 2022, the email was opened, and the documentation downloaded. The investigator noted the policy underwriter confirmed they would provide full cover had a claim been made, as while the date of birth and occupation were incorrect, the correct risk address was recorded.

While PRIMIS had made a mistake in recording incorrect information, Mr B and Mrs B hadn't suffered any financial loss – had the correct information been recorded, they would have paid a higher premium than the one they were charged. It was also Mr B and Mrs B's responsibility under the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA) to check the policy documents and make sure the information contained was correct.

Mr B and Mrs B disagreed with the investigator's view and asked an ombudsman review the complaint. They didn't accept their details had been changed (to incorrect details, from those they had correctly provided) without a reason as to why. While accepting they should have checked the policy documents, they didn't feel they were responsible for not checking them PRIMIS had provided. While PRIMIS had accepted they made an error, they hadn't offered any compensation. While they were told they would be covered in the event of a claim having been made, they hadn't had this confirmed in writing. Once the error had been identified, the policy had been cancelled, leaving them uninsured. They'd paid for cover under the policy but hadn't received it. Nor was it clear why the correct information led to a higher premium.

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.

My role here is to decide whether PRIMIS have acted fairly towards Mr B and Mrs B.

The main issue in Mr B and Mrs B's complaint is that they feel they've paid for two years of a policy that was void because of the incorrect details. The incorrect information was the fault of the agent when taking out the policy, the reason for which they hadn't been told. They are also unhappy at being told it was their responsibility to check the policy information – when they couldn't as the incorrect date meant they didn't have access to the online portal. PRIMIS accept they recorded the information incorrectly and they applied the increase in premium from when the error was identified. Mr B and Mrs B had the opportunity (and responsibility) to check the information was correct and downloaded the policy documents.

I've first considered whether the incorrect details meant the policy was void, so had Mr B and Mrs B made a claim it wouldn't have been accepted. While they didn't make a claim, I've noted the policy underwriter has stated:

"I can confirm as discussed...we have agreed full cover would have been provided should a claim had occurred.

Although the policy holder's occupation and DOB were incorrect, the correct risk address details we hold in regards to the property is correct.

As advised...this is not the client's fault, therefore to void any cover held would be unfair."

I've no reason to doubt what the underwriter has said about cover being provided in the eventuality a claim was made under the policy in the time from the policy being taken out to the error becoming known. As they say, the risk address was correct and it's reasonable to think this would have been a more important piece of information for the underwriter when assessing the risk when offering the policy, given the policy is for home insurance. It isn't a policy where age and occupation would likely have been more important factors (such as motor insurance).

I also agree that because the error wasn't the fault of Mr B and Mrs B, then any attempt to avoid the policy would have been unfair. That is, they hadn't made a misrepresentation (under CIDRA) when taking out the policy (either careless, deliberate or reckless) and so the underwriter (or PRIMIS) wouldn't have had grounds to avoid the policy on the grounds of misrepresentation.

On the second aspect of this issue, that Mr B and Mrs B say they've paid two years' premium for a policy that was void, not only have I concluded the policy wasn't void, but as PRIMIS haven't sought to apply the correct information from the date the policy was taken out – only from the date the incorrect information was identified – then Mr B and Mrs B haven't suffered any financial loss. That is, they haven't had to pay a higher premium from the start of the policy. As a reflection of the error being on the part of PRIMIS, I think that's fair and reasonable. And as the policy wasn't void (and a claim would have been accepted) it wouldn't be fair or reasonable to ask PRIMIS to refund the premiums paid for the first two years of the policy.

Taking these points together, I don't think it's unfair or unreasonable for PRIMIS not to have offered compensation for the error.

On the issue of it being unfair to expect them to check the policy information (which they couldn't as the incorrect date of birth meant they weren't able to access the online portal) I don't agree. It's standard practice with insurance policies for consumers to be asked (required) to check the information on which the policy is based. This allows for correction of any errors that may have occurred during the process of the policy being set up – either by the consumer or (as in this case) the insurer. When the policy documents were sent to Mr B and Mrs B, they were told:

"What you need to do next:

Please check:

- *The Statement of Fact to make sure it is correct; if not, please call us on the number below. It's very important that the information presented therein is accurate, as errors or omissions could affect your ability to make a claim."*

I don't think this unreasonable, and while Mr B and Mrs B say they couldn't access the online portal to download the documents initially, had they tried to do so and found (as they subsequently did) they couldn't access the portal, they could have contacted PRIMIS, and

the incorrect information would have been identified earlier than it eventually was. This is in addition to the evidence provided by PRIMIS that the policy documents were accessed (downloaded) by Mr B and Mrs B in 2022.

Looking at the Statement of Fact document issued with the quotation in October 2021, it clearly records an incorrect date of birth and occupation for Mr B (though not, it appears, for Mrs B). The Statement of Fact document itself also includes similar wording to that set out above about the responsibility of the consumer (Mr B and Mrs B) to check the information in the document and notify PRIMIS if any of the facts are incorrect. Statement of Fact documents with the same, incorrect information were issued when the policy took effect and again at renewal in October 2022.

I've also considered the other issues in the complaint and Mr B and Mrs B's response to our investigator's view. On the reason why the correct information they provided became incorrect information, the only thing I've seen in the evidence and information available in this case is reference to a potential 'system error'. While this isn't definitive or detailed, the more important points are what PRIMIS did in response to the errors being identified, which are the issues I've considered above. And while mistakes and errors can and do arise, it isn't the role of this Service to punish businesses when they make mistakes.

On the point about why correcting the information would lead to a higher premium, that's an issue for the underwriter of the policy – a separate business to PRIMIS. So, it wouldn't fall within the scope of this decision.

On the policy being cancelled, PRIMIS say they haven't made an administration charge (fee) for what would have been a mid-term adjustment. The only additional cost to Mr B and Mrs B would have been the £9.34 additional premium for the remaining period of the policy before the renewal date at the end of October 2023 (a period of just under a month). As the correct information led to a change in the policy premium, PRIMIS say this means the changes from correcting the information would be considered 'rateable facts' and policyholders have seven days to consider whether to make the changes (and accept the revised terms, including the higher premium). As this appears not to have happened, then I don't think it unreasonable for the policy to have been cancelled.

Taking all these conclusions into account, I've concluded PRIMIS haven't acted unfairly or unreasonably towards Mr B and Mrs B, so I won't be asking PRIMIS to take any action.

My final decision

For the reasons set out above, it's my final decision not to uphold Mr B and Mrs B's complaint.

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

Paul King
Ombudsman