

The complaint

Mr H complains about the service he received from Premium Choice Ltd (trading as AChoice) when he was trying to renew his motor insurance.

What happened

In December 2023, Premium Choice sent Mr H a letter inviting him to renew his motor insurance with a quote for around £750. The letter said his policy would not automatically renew on 10 January 2024 and he should call its renewal team to renew his policy.

On 9 January 2024, Mr H phoned Premium Choice to renew his policy. The agent told Mr H the policy he'd been quoted for required a tracker to be fitted to his vehicle. Without any additional security on the vehicle, the most competitive premium it could offer Mr H was double the amount he'd been quoted.

The agent told Mr H that the insurer of the policy on the renewal letter required a particular brand of tracker, which would cost around £361 plus a subscription of £189 per year. The agent suggested Mr H look on a comparison site for alternative policies and check with the insurer if it required any additional security before purchasing a policy.

Mr H checked through the renewal documents he'd received but couldn't see any reference to a tracker. He called Premium Choice back and spoke to the same agent he'd spoken to in his previous call.

The agent wasn't able to find any mention of the tracker on the documents Mr H had been sent. She told Mr H the insurer inviting the renewal had stopped offering cover on 1 January 2024 anyway. Mr H asked if there would be any grace period for him to get a tracker fitted. The agent said there wouldn't be, the tracker would have to be on there before the insurance could start. Mr H asked what quotation Premium Choice could provide with a tracker. The agent said she would refer this to Premium Choice's underwriting team to see if it had a bespoke insurer who would offer cover with additional security, and she would call Mr H back later that day.

Premium Choice didn't contact Mr H until the next day, when a different agent called to give him another quote. Mr H said he had arranged insurance elsewhere for £1,180. The agent apologised that Mr H hadn't been called back the previous day. She said the quote had only come back from the underwriters that morning. The cheapest quote it could have offered Mr H was £885 but this would have required a tracker to be fitted at a cost of £445.

Mr H was unhappy with the service he'd received from Premium Choice. So, a complaint was logged.

In response to his complaint, Premium Choice apologised for its poor service and offered Mr H £75 compensation for inconvenience.

Mr H remained unhappy and asked our service to consider his concerns. He said he'd incurred an additional charge of £431 and had spent half a day searching the market to find

an insurer who would provide adequate motor insurance. He didn't think £75 was enough to compensate him for his losses.

Our investigator looked into Mr H's complaint and thought it should be upheld. He didn't think Premium Choice's offer of compensation was enough to put things right. He recommended that Premium Choice increase the compensation to £200.

Mr H accepted our investigator's outcome, but Premium Choice didn't. So, the complaint has been passed 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.

Having done so, I've decided to uphold Mr H's complaint. I'll explain why.

Premium Choice has acknowledged errors in the service it provided to Mr H. So, I've needed to think about the impact these mistakes have had on Mr H and decide what is fair and reasonable compensation for this.

There was no mention of the need for a tracker on the renewal documentation sent to Mr H in December 2023, so he didn't become aware of this requirement until he phoned Premium Choice the day before his current policy was due to expire.

Mr H says he didn't feel the need to contact Premium Choice sooner because he was happy with the premium he'd been quoted. When he called on 9 January 2024, his intention was to accept the quote and pay the premium.

Having listened to Mr H's phone conversations with Premium Choice, I think it's clear that the news that he needed the tracker was a surprise to him. In the first call, the agent insisted that Mr H would have been made aware of this requirement in the documentation he'd been sent. Mr H says he spent a long time checking through all of the documentation to see if this information was there before calling Premium Choice back. When he did, the agent wasn't able to find this information on the documents either.

If Premium Choice had made Mr H aware of the insurer's requirement for a tracker to be fitted sooner, he would have had more time to explore the market and consider his options. This wasn't as straightforward as simply choosing another policy. Mr H had the option of fitting the tracker required by the insurer of the policy he'd been quoted for, fitting a different type of tracker or security device, or going with an insurer who didn't require any additional security to be fitted.

As Mr H wasn't given any advance notice of the tracker requirement, he wasn't able to organise security for his vehicle prior to his current policy expiring. I think it's clear from the second call, that Mr H was uncertain about what he needed to do. He mentioned looking at trackers online, but he wasn't sure what insurers would accept.

Mr H says he waited until around 5.30 or 6pm for the agent to call him back. When she didn't, he felt under pressure to organise another policy quickly. He says he needed to do this online because it was too late to call other insurers.

I understand Mr H believes he had to pay £431 extra for his insurance because of Premium Choice's mistakes. However, I don't think the premium he was quoted at renewal was ever available to him without a tracker and it wasn't available at all when he called Premium

Choice on 9 January. It's possible Mr H may have been able to get cheaper insurance if he'd had more time to shop around, but I haven't seen evidence of this. So, I haven't been able to consider a financial loss here.

However, I think Mr H was put under unnecessary stress because of Premium Choice's errors. He was also inconvenienced as he had to spend time checking through the documents he'd been sent for information on the tracker as well as time on the phone and time online looking for a replacement policy.

Premium Choice has asked for a breakdown of the compensation our investigator recommended so it could understand how much he had awarded for each element of Mr H's complaint. But this isn't how we award compensation. We look at the overall impact of a business's mistakes on a consumer and decide on a fair amount within the appropriate range. There's further information on our approach to compensation awards on our website.

In this case, I think Premium Choice's errors have caused Mr H more than the levels of frustration and annoyance one might reasonably expect from day-to-day life. And Mr H spent a reasonable amount of time sorting things out. So, I think £200 more fairly recognises the impact on Mr H than the £75 Premium Choice has offered him.

Putting things right

Premium Choice should pay Mr H a total of £200 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mr H's complaint and direct Premium Choice Ltd to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 July 2024.

Anne Muscroft
Ombudsman