

## The complaint

Mr R complains BISL Limited administered his motor insurance policy poorly.

BISL's been represented by an agent for the complaint. For simplicity I've referred to the agent's actions as being BISL's own.

## What happened

In July 2023 Mr R's BISL arranged motor insurance renewed. The premium was £507. The insurance was provided by a different firm (the Insurer).

In mid-October 2023 Mr R called BISL to enquire about adding his wife to the policy as a named driver. During the call it became apparent his old address, from around three years before, was still in use for the policy. That was updated. A premium increase of around £228 was quoted to add Mr R's wife to the cover – plus an admin fee. Mr R said the quote was too much. He said he would shop around.

BISL then explained an additional premium of £166, and an administration fee of £25, would be charged due to the address change. Mr R wasn't happy with that. He felt, having moved only a few hundred yards, it was a disproportionate premium increase.

After some discussion Mr R cancelled the policy. BISL waived a £55 cancellation fee and provided a pro-rata refund. Mr R raised a complaint. He wanted an explanation for the increase. He said the new premium didn't offer value for money. He wanted a detailed explanation of how it was calculated.

BISL responded to Mr R's complaint. It said the premium increase was correctly applied. It added it was unable to provide a specific reason for it as it was considered sensitive information. It reminded Mr R it had waived the cancellation fee.

Mr R wasn't satisfied with that outcome, so referred his complaint to the Financial Ombudsman Service. He said the premium increase resulted in him paying more for insurance with another provider. He wants an explanation for the increase and compensation for the distress and inconvenience involved.

BISL, after discussion with our Investigator, said it now accepted it was responsible for a mistake with the additional premium. It offered Mr R £150 compensation. It also offered to arrange for the cancelled policy year to count towards his no claims discount (NCD) – giving him six rather than five years. The Investigator considered that a fair and reasonable resolution.

As Mr R didn't accept that outcome the complaint was passed to me. He said he wants further explanations for how the increased premium was calculated – and would settle for £300 compensation.

## **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 here to every point or piece of evidence Mr R and BISL have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Mr R asked for further explanation of the premium calculation. However, I'm satisfied by the one given by BISL already. It said the Insurer had confirmed the change of address was 'risk affecting'. So the change, despite being a short distance, likely did have some impact on the premium. But according to BISL there was an error in the way its systems interpreted information provided by the Insurer's system. So importantly it accepts its system provided an incorrect premium adjustment.

BISL hasn't explained what the correct amended price, following the address update, should have been. But it has accepted the premium it quoted in mid-October was incorrect. So the quoted increase wasn't correctly based on the Insurer's risk criteria for the new address. That means seeking further explanation, from the Insurer via BISL, of its risk assessment and pricing process would add little to the understanding of events.

In any event the key consideration for this Service, when a firm makes a mistake, is to ask if the customer lost out as a result. So I've considered, based on the information available to me, if Mr R likely ended up paying more for his insurance than he would have without the mistake.

It seems likely, without the mistake, he wouldn't have cancelled the BISL arranged cover. Instead, based on the premium he later accepted from the same Insurer, he probably would have added his wife to the BISL policy.

Mr R wasn't charged a cancellation fee by BISL. So I don't need to take that into account when considering any loss. He went on to take out cover with the same Insurer – using his new address and with his wife as a named driver – for £719.

I don't know for certain what premium Mr R should have been quoted in October 2023 had BISL not made its mistake. It's not clear if BISL, or the Insurer, is able to provide that information now. As we know the premium charged by the same Insurer, for at least broadly similar cover, I don't feel it's necessary or proportionate to delay resolution whilst that information is requested.

It seems likely, based on the Insurer's comment, that the change of address would have resulted in a premium increase – although not as large as the one quoted by BISL. The addition of Mr R's wife would have further increased the premium. would also have been a £25 administration fee – as per the terms of his agreement.

Based on the above, and the fact Mr R's new cover is provided by the same insurer as the, it seems likely that in total he would have paid BISL something close to the £719 he was charged for the new cover.

BISL offered £150 compensation to make up for its mistake – and a full year of NCD for a policy than only ran for three months. I've allowed £50 to £75 to make up for the extra Mr R may have paid by taking out the policy. That leaves £75 to £100. That seems a fair amount

to recognise any reasonable level of unnecessary distress or inconvenience caused by BISL – including his change of provider and frustration at the premium increase.

So, whilst I accept BISL made an error, I consider it offered enough to recognise and make up for that already. I'm not going to require it to pay any more compensation or to provide any further explanations.

**My final decision**

For the reasons given above, I require BISL Limited to pay Mr R £150 compensation and award him an additional years NCD as offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 23 July 2024.

Daniel Martin  
**Ombudsman**