

The complaint

Mr C has complained that Adrian Flux Insurance Services Group didn't offer him the cover he'd said he needed when it arranged a motor insurance policy for him.

What happened

Mr C had a policy through Adrian Flux which included European cover. When that policy came up for renewal Adrian Flux arranged a new policy for him with a different underwriter that didn't include this cover. And it didn't point this out to him. Mr C called to see if Adrian Flux could match a lower price he'd obtained. When he did, he discovered the policy didn't have European cover. In the end Mr C didn't take out a policy with Adrian Flux and instead took one out through another source.

Mr C complained about this. Adrian Flux didn't uphold his complaint. So Mr C asked us to consider it. After we told Adrian Flux about this, it offered to pay Mr C £100 in compensation for the distress and inconvenience he'd experienced as a result of its error. And it explained that the error had occurred because the agent who set up Mr C's original policy hadn't endorsed it to note he needed a policy with European cover on it. Mr C didn't think £100 was enough compensation, so one of our investigators considered his complaint.

The investigator upheld Mr C's complaint and said Adrian Flux should pay £200 in compensation. He explained this was because as well as having the hassle of arranging a new policy, Mr C also had a loss of expectation. Mr C agreed with the investigator's assessment. But Adrian Flux didn't. It said it felt £100 in compensation was enough.

As Adrian Flux didn't agree with the investigator's assessment, the case was referred to me for a 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.

Adrian Flux has admitted it made an error and it shouldn't have offered Mr C a policy without European cover. And it also explained the reason this error occurred. And – from what it has said – it seems it accepts its error caused Mr C distress and inconvenience. And, while I agree the level of compensation Mr C should receive for this is subjective, I agree with our investigator that £200 is the right amount. This is because Adrian Flux's error did cause Mr C a reasonable amount of distress and inconvenience. I say this because it led to him having to research and arrange an alternative policy. He also had the disappointment of not having the policy he'd made it clear he needed with Adrian Flux and the realisation that he could have ended up driving in Europe without full cover. As it happened, he didn't end up doing this, but I accept it is frustrating and worrying to know this could have happened. And it has clearly created a doubt in Mr C's mind moving forward that it could happen again if he is not really careful to check all his policy documentation. I know Mr C is with a different provider now, but the worry of this sort of thing happening has – in my opinion – been created by a very basic and avoidable error by Adrian Flux.

Putting things right

Therefore, for the reasons I've set out above, I've decided to uphold Mr C's complaint and make Adrian Flux pay him £200 in compensation for distress and inconvenience.

My final decision

I uphold Mr C's complaint and order Adrian Flux Insurance Services Group to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 September 2024.

Robert Short
Ombudsman