

The complaint

Miss H complains that her broker, Barry Grainger Limited ('BG') mis-sold a motor insurance policy and 'add-on' policies to her and didn't provide all the policy documents, leading to upset and inconvenience.

What happened

Miss H bought the policy through BG in January 2023 and had a non-fault accident a month later. She called the number given in the documents sent to her by BG for accident assistance. Miss H says she thought she was speaking to her insurer, but she later found that the number was for a claims management company ('CMC'). She says it wasn't clear from the documents who her insurer was, and she struggled to find that out.

Miss H wasn't happy with the way the CMC dealt with her case, so she made a separate complaint to us about it. We weren't able to look into it as the CMC's activities weren't regulated and therefore fell outside our remit. Miss H said the relationship between BG and the CMC (which she said owned BG) and with other firms had been hidden and that BG had acted in their interests rather than hers.

BG said the correct documents were sent to Miss H and that the first page of the policy booklet set out the contact number for her insurer. Miss H had also said the policy didn't cover her as a trainee driving instructor. But BG said it had a process in place with the insurer that meant she'd have been covered if she'd had an accident for which she was at fault. Miss H said she hadn't been told she wasn't covered for hire under the Guaranteed Hire Vehicle ('GHV') policy for a non-fault accident. BG said that it was pointed out in the sales call and was in the GHV policy wording sent to Miss H before the policy started. She also said the legal assistance policy wasn't the one she thought she'd bought from a well-known national firm ('R') as when she called the number, she got through to the CMC.

One of our Investigators reviewed Miss H's complaint. He didn't think the motor policy was mis-sold, or that BG hadn't provided the correct documents. He noted that the policy booklet set out the insurer's contact details, and that R underwrote the legal expenses policy. The Investigator said we couldn't comment on the business relationships between firms, but that it wasn't unusual for a broker to have one with a CMC. Later on, he noted that there was no clear reference to the limitation in the GHV policy in the sales call, so he thought the cost of GHV cover should be refunded. He also said BG should pay Miss H £200 compensation. Although her car was driveable after the accident, he thought she was inconvenienced due to the CMC's involvement and that the repairs to her car were delayed by it.

As BG didn't accept the Investigator's view, it was passed to me for review.

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.

Miss H bought the policy on 6 January 2023, but the policy documents weren't sent to her by BG until 11 January 2023, just two days before the policy started. Miss H says the documents' late arrival meant she had little time to read them or to note the absence of anything, but she's sure the document with the insurer's contact details (the policy booklet) wasn't included. She says BG's omission meant she ended up calling the CMC about her claim, which led to problems with it and with BG later on.

I think it's more likely than not that in error, BG didn't include the policy booklet when it sent all the other documents to Miss H. Otherwise, she'd have had no difficulty contacting her insurer, as its number is displayed prominently throughout the entire document. Miss H would have had no reason to ignore it. BG sent the policy booklet to us when we asked for its file in order to investigate Miss H's complaint. But recently we asked it to provide us with the inception pack it sent to Miss H in January 2023. The policy booklet wasn't included with the other documents, which I think also supports Miss H's account of events.

Several of the documents sent to Miss H and to us in the inception pack display the number for the CMC prominently, as the number to call after an accident, so it's clear why Miss H thought that's what she should do. I think it would be fair and reasonable to require BG to compensate her for not ensuring she knew how to contact the insurer about her claim, but I don't think the policy was mis-sold. Although it didn't cover driving instructors who weren't fully qualified, BG had an arrangement with the insurer so that the claims made by trainee instructors would be covered, and BG would pay the insurer the cost of any fault claim.

The GHV cover had an exclusion for trainee driving instructors with non-fault claims. I don't think that was explained properly in the sales call, and the exclusion meant it wasn't suitable for Miss H's needs. I don't think the GHV policy wording was clear enough either. It said hire wouldn't be included in any case where a hire vehicle was already available under other insurance *or other means*. BG says Miss H could have had a hire car through 'other means' (the CMC) as the claim was non-fault. But I don't think it would have been clear to most consumers what the wording of the exclusion meant. And it should have been made clear at the point of sale. So I think BG should reimburse the cost of the GHV policy, with interest.

Miss H didn't think she got the high-quality cover she wanted from the legal assistance policy she'd bought. But the documents show that R (a reputable firm she trusts) underwrites the policy. The policy document says the cover will be arranged and administered by the broker (BG). I don't think it matters if an initial call doesn't go straight to R, as long as the cover Miss H paid for is provided by R if needed - and it seems that's the case here.

Miss H's complaint about the CMC has already been dealt with. Miss H is also concerned about the relationship between the CMC and BG in particular, and their links with other firms. But our limited remit means we can't look into those links or the way the firms operate with each other. The industry regulator is the *Financial Conduct Authority* ('FCA'). It's open to Miss H to contact it about her concerns with the way the businesses involved in her case were connected, and their general practices.

Fortunately, Miss H was able to drive her car after the accident, so the impact on her of not getting it booked in for repair until 31 May 2023 was less than it could otherwise have been. But the repairs were delayed, and Miss H ended up having to liaise with the repairer in order to arrange for payment for the repairs and hire from the other insurer. BG says Miss H declined hire from the CMC. But she didn't understand why she was being asked to guarantee the cost of that hire by the CMC (and to prove she could afford to pay it) when BG had led her to believe she'd paid for GVH when she bought the policy. The situation caused Miss H anxiety, confusion and upset, as well as inconvenience.

I think there's evidence that Miss H's mother (Mrs H, acting on her behalf) was given incorrect advice by BG and was met with disinterest by advisors. Mrs H spoke to one of BG's managers on 2 September 2023 (just after it had issued its final response to Miss H's complaint). She said Miss H had paid for GVH, but didn't get it, and didn't know why. The manager explained how the policy and the credit hire arrangement with the CMC worked. Mrs H said that was the first time anyone had done so, although she and Miss H had been seeking answers for three months. She told the manager that some of BG's advisors (and one named person in particular) had been unhelpful, and that some emails weren't answered. Not all BG's calls were provided, and I haven't heard any conversations with the named advisor. But there's nothing on the file to show these issues were addressed by BG.

In my opinion, BG's poor service meant Miss H had to cope with distress and inconvenience over several months, when she was already traumatised by the accident. I think it should have ensured the insurer's contact number was available to her upfront, and I don't think it has shown that it did. It should also have ensured that the GVH policy (and the CMC's role) was explained properly at the point of sale. I think BG's general service should also have been better. The Investigator thought BG should pay Miss H £200 for distress and inconvenience, but I think it would be fair and reasonable for it to pay her £300 in total, as well as refunding the GVH policy. We advised BG that I intended to raise the compensation, but it hasn't commented.

My final decision

My final decision is that I uphold this complaint. I require Barry Grainger Limited to do the following:

- Refund the GVH policy, and add interest to the sum due, at the simple yearly rate of 8%, from the date of payment to the date of settlement.
- Pay Miss H £300 in total for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 18 November 2024.

Susan Ewins
Ombudsman