

## **The complaint**

Mr S complains that he was quoted a higher price for a motor insurance policy by BISL Limited (an intermediary) than had been quoted for it on a comparison website.

## **What happened**

Mr S was quoted £371.51 for the policy on the comparison website to insure a brand-new car which didn't yet have a registration plate. When he contacted BISL about the policy, its advisor said the price that was showing on her system - based on adding the registration number and changing the policy's start date - was £581.40. Mr S believed the original quote was binding. But the advisor told him the comparison website said quotes were subject to change once a consumer was referred to an insurer's website. She also said insurance market prices changed by the minute and that Mr S's original quote had been based on incomplete information. Mr S made a formal complaint and said his aim was to ensure that quotes were honoured and that processes were changed.

In response to his complaint, BISL said its system had recalculated the premium in the live market, given the change of start date and the car's registration. It said it didn't have access to the insurer's criteria, but that premiums were based on numerous factors. BISL told us that before its advisor made any changes, the premium that had appeared was £580.82.

One of our investigators reviewed Mr S's complaint. He thought BISL had explained why the price quoted for the policy had changed, and that there was nothing to show he'd been treated unfairly, or differently to anyone else in a similar situation. He didn't agree that the initial quotation was binding. And he said only the industry regulator (the *Financial Conduct Authority* – 'FCA') could require a business to make changes to its processes.

Mr S said adding a registration plate for a new car wasn't a rating factor, and if there was no material change, the initial quote should have been honoured. He also said he wanted the complaint to be reviewed by an ombudsman and for two issues to be addressed: whether a registration plate was a material factor; and whether enough had been done to alert consumers to the fact that initial quotes may not be honoured.

## **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.

Although Mr S says he's unhappy about the comparison website and the insurer, as well as BISL, this complaint is limited to his complaint about BISL, which acts as an intermediary, arranging and administering policies for insurers. The comparison website provided a link to BISL, so it could assist Mr S to complete the purchase. Mr S believes there was a contract in place before he dealt with BISL, but I don't think that's right. BISL says the comparison website says prices are subject to change when a consumer is transferred to an insurer or to an intermediary. I can't comment on whether that was made clear enough, as this complaint

is about BISL. But normally comparison websites only quote *potential* premiums. Consumers are usually passed on to insurers or intermediaries, who check the details provided so far.

Mr S accepts that he changed some of the original details he provided. In my opinion, a contract of insurance would only have existed once all the details (including the changes) had been confirmed by Mr S and he'd accepted the premium the insurer said it wanted at that point. I think BISL was correct in advising Mr S that prices for insurance policies can change very quickly. He told BISL's advisor he couldn't believe the premium had risen by £200 over a couple of weeks, but in a live market, prices can change daily. I can't say whether adding the registration plate was a material factor in the increase, as rating factors are for an insurer to decide. But whatever the cause, it wasn't BISL's decision.

Mr S told us he got the initial online quote around three weeks before the policy was due to start, and that after a few days the price showing was still £371.51. He says it rose to £489.15 when he added the car's registration number to BISL's website. He's provided us with screenshots of these figures. Mr S said when he then changed the policy's start date by two days, the premium rose to £512. He didn't mention that in the conversation with BISL's advisor - but any increases would have been based on the insurer's criteria.

BISL has provided a screenshot as evidence that the premium showing when its advisor first opened the quote was £580.82, and that it rose to £581.40 after she confirmed the changes. It looks as though the quote was almost at its peak when Mr S called BISL, as time had passed since the original quote and Mr S's changes were already incorporated into it. I don't think he can show that BISL did anything wrong. It didn't provide the initial quote and it didn't set the price for the policy. It just provided information to him and tried to answer his queries. BISL wasn't able to say why the price had increased so much, because as an intermediary it doesn't have access to insurers' underwriting criteria. And as Mr S wasn't committed to anything at that point, he was free to seek cover elsewhere, which he did.

Although Mr S is unhappy about the way the entire process works, we can't deal with that, as the way businesses operate is a matter for the FCA to consider. As I don't think BISL acted unfairly or unreasonably in dealing with Mr S, I can't uphold his complaint.

### **My final decision**

My final decision is that I don't uphold this complaint. Under the Financial Ombudsman Service's rules, I must ask Mr S to accept or reject my decision before 23 October 2024.

Susan Ewins

**Ombudsman**