

The complaint

Mr & Mrs S complain about how Atlanta Insurance Intermediaries Limited trading as Swinton Insurance ("Swinton") gave them incorrect information leading to Mr S losing his no claims discount.

What happened

Mr & Mrs S had a car insurance policy arranged through Swinton. They owned one car, and they routinely swapped the lead name on the policy every two years to make sure they both retained their No Claims Discount ("NCD").

Around renewal in January 2023, Mrs S called Swinton to carry out this swap.

Swinton's call handler told her if anything happened to either her or Mr S, the NCD would be transferred between them. Mrs S kept the policy in her name.

In June 2023 they bought another car and Mr S tried to insure it. He found that his NCD wasn't valid and they complained to Swinton.

Swinton said it didn't think its call handler had done anything wrong.

Mr & Mrs S remained unhappy and brought their complaint to this service. They ask for reimbursement of their costs, Mr S's NCD reinstated and compensation for the inconvenience caused.

Our investigator looked into it and thought Swinton hadn't acted fairly. He thought Swinton should reinstate Mr S's NCD and issue him a letter confirming this. He also thought Swinton should arrange for the current insurer to re-rate the policy on the revised NCD, and pay them £200 for their distress and inconvenience.

Mr & Mrs S agreed with the view. But Swinton didn't. Because it didn't agree, this complaint has been passed to me to make a final decision.

I issued a provisional decision upholding this complaint in part, but not awarding compensation to Mr & Mrs S:

I've looked carefully at how Mr & Mrs S managed their buying of insurance. I can see that they would routinely switch the person named on the policy between them in order to protect both of their NCDs.

When Mrs S spoke to Swinton in January 2023 she asked specifically about this situation and said to Swinton's call handler that she was at the point when the policy needed to be transferred to Mr S.

I can hear in the call that Swinton's call advisor asks her about whether they would be "ever going to be buying another car". Mrs S replies that, if Mr S passed away she'd buy a car and have the policy (and vice-versa).

The call between Swinton and Mrs S proceeds on a relaxed, pleasant basis. Swinton explains that by leaving the policy in Mrs S's name, there'd be no admin charges that would otherwise apply every two years.

In that same part of the conversation, Swinton asks whether they'd get a second car and Mrs S replies "No, no, no, no, no, we'd only ever have the one vehicle."

And it's this point that seems to have been the key area of misunderstanding.

Swinton's call handler, having specifically asked Mrs S whether they'd buy another car and being told emphatically "No", then proceeds to renew the policy in Mrs S's name.

I will also mention that during the call, Swinton gave two quotes to Mr & Mrs S showing them the price difference between each driver combinations. Mr & Mrs S chose the cheaper option (a difference of about £50), which was with Mrs S as the policy holder. In other words, the policy renewed.

A few months later, they bought another car and Mr S tried to insure it in his name, but he found his NCD had lapsed due to him not holding his own policy for over two years.

So it's clear there's been an error here. But I think it's important I say that I think Swinton's questioning of Mrs S was clear, about her not buying a second car, and I think Mrs S has made an error perhaps because she made some assumptions about whether they would buy a car in the future.

That left Mr & Mrs S in a situation where Mr S had to effectively 'start again' with zero NCD as a result of their error.

But I can't say that the outcome of this is fair. I know Swinton did ask Mrs S the very specific question about whether they'd buy another car, but I think the conversation after that point is sufficiently muddled to leave Mrs S confused. I can see that there might be a situation where both Mr & Mrs S might need their own NCD, so I don't think Swinton explained things fully enough to them.

In the conversation between Mrs S and Swinton, I think that Swinton should have clarified what Mrs S had wanted and provided further information to explain what might happen with their NCDs if they chose to take a different path. It's important I say that if Mrs S had been allowed by Swinton to carry on with her original path, then both NCDs would have been valid for the purchase of the second car. Moving from that path was due to Swinton's involvement.

I think the fair outcome here is that Mr S's NCD is reinstated by Swinton, and he's given a letter by it to confirm that.

But I don't think I can fairly award distress and inconvenience in this case because I think Swinton's call handler's intent was fair and reasonable – she pointed out it would save Mr & Mrs S admin costs, and she'd asked whether they would buy another car, and she'd saved Mrs S some money on her renewal. And as the conversation continued I think it's clear that both parties slightly misunderstood the other.

It follows that I think the fair outcome is that Mr S's NCD is reinstated by Swinton, but I propose to make no further award.

Responses to my provisional decision

Swinton didn't respond.

Mr & Mrs S responded and asked for a copy of the phone conversation between Mrs S and Swinton. They then said they thought Swinton had caused much confusion during the call, and they thought the fair resolution was reimbursement of the £250 additional cost they incurred and reinstatement of Mr S's NCD.

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.

I've thought carefully about Mr & Mrs S's response to my provisional decision, and I've listened to the relevant phone conversation again. But I can't see that they have provided me with any further evidence about why Swinton was at fault. As I've said above, the conversation is pleasant and seems to proceed well. If I may, I'll also say I think Mrs S is slightly distracted during the conversation as she seems to be discussing matters off the phone. I can't fairly say that's the fault of Swinton.

It seems to me that the fair solution here is that Swinton reinstate Mr S's NCD as laid out in my provisional decision. Mr S may find that if he approaches his new insurer with that NCD, there may well be a premium adjustment in his favour.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint in part. I direct Atlanta Insurance Intermediaries Limited trading as Swinton Insurance to reinstate Mr S's NCD and issue him with a letter confirming this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 3 September 2024.

Richard Sowden
Ombudsman