

The complaint

Mrs H complains about Coversure Midlands Ltd trading as Coversure Insurance Services (Sevenoaks)'s handling of her car insurance claim.

For ease, I shall refer to Coversure Midlands Ltd trading as Coversure Insurance Services (Sevenoaks) below as "Coversure".

What happened

Below is intended to be a summary of the events that formed this complaint. It does not therefore include a full timeline or list every point that has been made.

Mrs H has arranged insurance for her vehicle through Coversure for several years. The policy renewed around October 2022 and Mrs H said when reviewing details of the renewal she noticed the policy required the vehicle to have a tracker under the terms of the policy.

Mrs H said she queried this with Coversure at the time, who informed her the tracker was fitted on her vehicle as standard.

Mrs H's vehicle was stolen around January 2023. It was discovered that although the vehicle was fitted with a tracker, its subscription had lapsed some time before – and therefore the tracker wasn't active.

The underwriter of the policy declined the claim due to an endorsement on the policy, which says the vehicle needed to be fitted with a tracker that had an active subscription, had not been met. Mrs H says she was unaware the tracker had a subscription that needed to be renewed and she wasn't made aware of this in her previous enquiry. She has provided information from the company that sold the vehicle to her, which says it registered incorrect details at the time of sale, which meant Mrs H wouldn't have received correspondence notifying her when the tracker's subscription was due to expire.

The underwriter has maintained its stance in declining the claim.

Mrs H said Coversure had assured her that the vehicle's tracker was sufficient and she was covered. She felt Coversure should've done more to make her aware of the requirements regarding the tracker's subscription. She was unhappy with Coversure's handling of her claim.

Mrs H raised a complaint with Coversure. She was unhappy with its response, so brought her complaint to our service.

Our investigator's view

Our investigator recommended the complaint be upheld. She said she wouldn't have expected Coversure to explain to Mrs H the subscription needed to be active. However, she did feel Coversure had caused avoidable delays in progressing the claim. To put things right she recommended Coversure pay Mrs H £300 compensation.

Coversure accepted our Investigator's recommendation.

Mrs H disagreed. She reiterated that Coversure should have notified her about the tracker's subscription. She said she had contacted Coversure at the time of renewal to query about whether the vehicle had a tracker and she was assured the vehicle had one fitted as standard - but not about it requiring a subscription. She also disagreed with the compensation recommended. In addition to the loss of the vehicle, Mrs H said she had payments outstanding on the vehicle.

The complaint then passed to me.

I issued a provisional decision on 11 July 2024. In my provisional findings, I said:
"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."

- I can see from email correspondence prior to the policy renewal that Coversure discussed the vehicle having a 'standard fit' tracker with Mrs H. However, it didn't mention about a subscription.*
- But the subscription for the tracker is arranged through the manufacturer, so this not something I would usually expect Coversure to advise on. However from reviewing the policy schedule, which would have been issued to Mrs H after the policy had renewed, I can see it is a condition of the endorsement for the tracker to have an active subscription. As this was a key term, I'd expect this to be highlighted to Mrs H by Coversure. And from the information I've been provided, I don't think Coversure did this.*
- Coversure said the statement of fact highlights the need for the vehicle to have a tracker, and I can see it does, but it doesn't detail about the subscription.*
- It later transpired the required subscription for the tracker, which is arranged via the manufacturer, had lapsed, which has been identified to be more likely than not due to the vehicle's manufacturer having Mrs H's email address recorded incorrectly. Meaning she didn't receive any notifications when the initial subscription was due to be renewed. I think given Mrs H being unsure of whether her vehicle had a tracker, had Coversure made her aware it needed to also have an active subscription, she more likely than not would've then queried this with the manufacturer.*
- As Mrs H has been unable to make a claim under the policy, Coversure must now accept responsibility for the impact its error has caused. It must pay Mrs H the market value of the vehicle at the time of loss as this is what she would have been due had there been a valid insurance claim. In doing this it Coversure will likely need to settle any outstanding finance on the vehicle, including any outstanding balloon payments imposed by the finance company. Any amount remaining, should then be paid directly to Mrs H*
- I can see Coversure have tried to assist Mrs H regarding the claim, and I can it has provided information showing it has sent the underwriter evidence of the email address issue from the manufacturer. However, having reviewed everything available I can see there was a delay in contacting the underwriter – which didn't happen until around 8 months after the claim was made.*
- I understand Mrs H feels strongly about what has happened. And she has my natural sympathy for the situation she has explained she finds herself in following the theft of her vehicle. But I think the £300 compensation recommended by our investigator is broadly in line with what I feel fairly reflects the distress and inconvenience caused to Mrs H by Coversure's actions. So I don't intend to make any further award here.*

For these reasons, I intend to uphold this complaint.

Putting things right

To put things right Coversure should:

- *Pay Mrs H the market value of the vehicle at the time of loss and settle any outstanding finance on the vehicle including any outstanding balloon payments imposed by the finance company. Any amount remaining on should then be paid directly to Mrs H.*
- *Any amount paid to Mrs H should also include 8% simple interest. Coversure should calculate this from the date of the loss to the date it makes payment to Mrs H.*
- *Pay Mrs H £300 compensation.”*

Responses to my provisional decision

Mrs H provided further comments following my provisional decision. In doing so she reiterated the impact the claim had on her and that Coversure had not informed her at any point regarding the subscription.

Coversure disagreed with my provisional decision. In summary it raised the following key points:

- It agreed the subscription wasn't mentioned in correspondence with Mrs H. But it said the Insurance Product Important Information Document ("IPID") provided at quote stage and when cover was bound highlighted the requirement. In doing so it has quoted wording from the IPID it believes supports this.
- It said it felt it had communicated clearly to Mrs H during the renewal of the policy to check the terms and her paperwork. Coversure has also provided a copy of decision issued by this service which is says is of a similar nature, where a different outcome has been reached.
- Coversure said Mrs H should've recognised other indications of the need for a subscription, such as being informed at the point of purchasing the vehicle, having access to an app which necessary to set up the tracker, payments ceasing and other factors such as indicators within the vehicle which light up when subscription wasn't valid.
- It said while it didn't contact the underwriter for some time, lots did happen in the meantime and it has pointed out the help it tried to provide to Mrs H.

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 reconsidered all the available information along with both parties additional comments, but it doesn't change my decision – or my reasoning.

To clarify, I note Coversure has referred to events post renewal – and that Mrs H had a cooling off period. However, what is important here is what happened when the policy was renewed. Coversure had a duty to provide clear fair and not misleading information about the requirements of any insurance policy it sells.

I've reviewed the IPID again and under the section of what isn't covered it says:

“Loss or damage in respect of theft or attempted theft of your vehicle may be excluded if you have an alarm, immobiliser or tracking device fitted to your vehicle and it is not operative. Please refer to your insurance intermediary for confirmation of cover.”

While this mentions the vehicle must have a tracker, and it must be operative, it doesn't say a subscription is required and I don't agree this wording would reasonably prompt someone to realise one was needed. Operative could simply mean 'not broken' or 'has power'.

Coversure have also pointed to the wording in the policy schedule, which does set out that it is a condition of the endorsement for the tracker to have an active subscription. As this was a key term, I'd expect this to be highlighted to Mrs H by Coversure. Coversure said it provided this to Mrs H prior to renewal, but it hasn't provided any evidence to me that shows this was the case. I can see emails mention Mrs H being sent documents, but there is no evidence of *what* documents she was provided and as the schedule is something that is generally provided after the renewal, I'm not persuaded it did so here.

I note Coversure's comments that Mrs H could have been aware of the subscription through other means. But this isn't relevant here. In deciding this complaint I'm reviewing the actions of Coversure and whether they've acted fairly. Coversure have a duty to provide information that is clear, fair and not misleading about the requirements of the insurance policy it is selling.

As I've said in my provisional findings, I can see Coversure tried to assist Mrs H regarding the claim, and I can see it has provided information showing it has sent the underwriter evidence of the email address issue from the manufacturer. However, having reviewed everything available I can see there was a delay in contacting the underwriter – which didn't happen until around 8 months after the claim was made – and I think it reasonably could have done sooner.

I also note Mrs H's further comments. However, the role of this service isn't to make punitive awards. I understand Mrs H feels very strongly about what has happened and I appreciate why she perhaps considers I should award a significant amount of compensation. However, having reviewed everything available to me, I'm satisfied the award I made in my provisional decision is fair and reasonable for the reasoning I set out.

Putting things right

To put things right Coversure should:

- Pay Mrs H the market value of the vehicle at the time of loss and settle any outstanding finance on the vehicle including any outstanding balloon payments imposed by the finance company. Any amount remaining on should then be paid directly to Mrs H.
- Any amount paid to Mrs H should also include 8% simple interest. Coversure should calculate this from the date of the loss to the date it makes payment to Mrs H.
- Pay Mrs H £300 compensation.

My final decision

My final decision is that I uphold Mrs H's complaint.

To put things right I direct Coversure Insurance Services (Sevenoaks) to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 22 August 2024.

Michael Baronti

Ombudsman