

The complaint

Mr S complains that he wasn't provided clear information about the no claims discount when he took out his commercial vehicle insurance policy.

What happened

Mr S applied for a commercial vehicle insurance policy with Broker Experts Limited, and obtained his quote online, expecting to be able to use the no claims discount he had accrued. However, once the policy inceptioned, it was confirmed to Mr S that the insurer wouldn't accept the type of no claims discount he had accrued. Mr S cancelled his policy within the cooling off period and made a complaint to Broker Experts.

During the course of the complaint, Mr S requested phone call recordings, which he says he didn't receive because Broker Experts said they were unavailable.

In its response, Broker Experts said not all insurers accept a private no claims bonus for a commercial policy. It also said Mr S had answered a question about the no claims bonus during the application process, and the question included the caveat that the chosen insurance provider may not accept NCB earned on a car or bike for other types of vehicles such as commercial vehicles.

Because Mr S didn't agree with Broker Experts' response, he referred his complaint to this service. Our Investigator considered everything and recommended that the complaint be upheld. She said she didn't think Broker Experts had done enough to provide Mr S with clear information about the type of no claims bonus that would be accepted.

Broker Experts didn't accept our Investigator's recommendations but did make a goodwill offer. Mr S didn't accept the offer, and wanted an Ombudsman's decision, so the complaint has now come to me to decide.

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.

Having done so, I've decided to uphold this complaint. I'll explain why.

I can see that there is some information about insurers not accepting certain types of no claims bonus, in the screenshot of the online application process, which Broker Experts has provided.

But I'm persuaded that during the phone call which was prior to the inception of the policy, not enough was done by the Broker Experts adviser, to ascertain the type of no claims bonus Mr S had, despite Mr S specifically asking about this matter.

In the call, Mr S mentioned company vans that he'd driven previously. But at no point did the adviser ask Mr S what type of no claims bonus he'd accrued or whether this would be accepted by the insurer. I think that as this was a validation call, it would've been reasonable

for Broker Experts to check Mr S's details in relation to the no claims bonus, before proceeding with cover. Broker Experts has said it's not obliged to do this, but I think in the circumstances of this particular case, it was a matter which Mr S specifically asked about, so it should have been addressed.

This error caused Mr S to enter into a policy which wasn't suitable for him as the insurer didn't accept his private no claims bonus. Mr S then had to pay cancellation charges and arrangement fee to get out of the second policy – and I think he should be compensated for his financial loss. I also think he's suffered inconvenience which is more than the day to day trouble one might have in arranging such policies – and that he should be compensated for that too.

I think a fair amount of compensation for the inconvenience he's experienced is £100 in the circumstances, as Broker Experts' error has caused Mr S frustration and annoyance that has required a reasonable effort on his part to sort out.

Broker Experts has said, in response to our Investigator's view, that Mr S isn't in a worse financial position as he should've confirmed he didn't hold a van no claims bonus and that the costs of the first policy would've been the same in terms of cancellation within the cooling off period. It's also said it's made significant concessions for Mr S because he didn't disclose motoring convictions it needed to include when it spoke to him.

However I agree with our Investigator that it isn't fair to refer now to retrospective charges that were never applied, and which were not related to the no claims bonus issue. So I'm upholding the complaint in line with our Investigator's recommendations.

Putting things right

Broker Experts Limited must now:

- Reimburse any cancellation fees and arrangement fees Mr S has been charged.
- Pay Mr S £100 compensation for distress and inconvenience.

My final decision

My final decision is that I uphold this complaint and I direct Broker Experts Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 September 2024.

Ifrah Malik
Ombudsman