

The complaint

Miss S complains that EUI Limited (EUI) added her father's home and motor insurance to her motor insurance policy without her permission.

What happened

Miss S discovered that her father had arranged for his home and motor insurance to be added onto her motor insurance policy. She wasn't informed of this until the changes had been completed. Miss S says this meant her father's premiums were to be collected from her bank account. She contacted EUI to complain and her father arranged to reverse the changes he had made.

Miss S says this has affected her relationship with her father causing emotional stress and hardship.

In its final complaint response EUI says parents are authorised to make changes to their child's policy apart from cancellation. It says Miss S's father was considered an 'acceptable caller' and was able to discuss aspects of the policy and make the changes he did. EUI didn't think it had done anything wrong and so didn't offer to do anything to resolve Miss S's complaint.

Miss S didn't think EUI had treated her fairly and referred the matter to our service. Our investigator upheld her complaint. She says EUI had correctly adhered to its policy terms when adding Miss S's father's home and motor insurance to her policy. But this had caused her distress and inconvenience when she found out. Our investigator says EUI should pay Miss S £150 to compensate her.

EUI disagreed with our investigator's findings. It says it acted according to Miss S's policy terms, so it hadn't done anything wrong. It didn't think compensation was warranted in these circumstances.

As an agreement couldn't be reached the matter has been passed 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 my intention is to uphold this complaint. Let me explain.

Miss S's policy terms say:

"This booklet outlines the details of your car insurance with us, whether you have a single car policy or insure one car or more on a MultiCover policy".

This indicates there are two types of policy. Single and Multicover. The terms also say:

“Single Car policies

This booklet will let you know how your vehicle is covered by this policy. Please read this alongside your other documentation to make sure you are familiar with all the terms of your policy.

...The policy administrator – all policies must have a policy administrator.”

And:

“For details of changes that individual policyholders and named drivers can make to MultiCover policies, please see General condition 13.

When taking out a new policy (which could be a whole new policy or adding a car, van or home to a MultiCover policy) the policy administrator gives permission to anyone who can make changes (As set out in General condition 13, instructions) to assess and confirm the suitability of the policy. This person must consider the policy administrator’s circumstances and agree to tell them about changes to the policy and provide any further information if necessary to confirm cover.”

Again, from this information EUI sets out two different types of policy. Single and MultiCover. Miss S had a single policy for her motor insurance.

General condition 13 says the administrator will be the main point of contact. They can discuss, change, or remove any vehicle or home insured by this policy. It goes on to describe what actions other policyholders can make. But in Miss S’s case she was the only policyholder.

In this section of the policy booklet there’s a table with the heading *“Single policies or MultiCover policies”*. This says a parent/guardian or spouse, or partner of a policyholder can add a new vehicle or home to a policy and update payment details. This is the first reference to another party being able to make changes to a single policy. These terms essentially say that Miss S’s father can add his car and home onto her policy, as well as giving him permission to update her payment details.

On page 37 of EUI’s 40-page policy booklet it provides a web address where its ‘privacy statement’ can be found. The webpage displays seven headings. When selected further information appears for each heading. Under ‘Sharing Data’ a further six headings appear. When expanding the box entitled ‘Dealing with other people’ it says:

“With the exception of cancellation, it is Admiral policy to deal with those named on your policy or any acceptable callers. The ways in which we may deal with those named on your policy or any acceptable callers include adding or removing vehicles to the policy.

An acceptable caller is:

- *A policyholder;*
- *A named driver;*
- *The spouse, partner or parent of a policyholder*
- *A secretary or personal assistant who has been added by a policyholder; and*
- *Any other person or organisation that provides evidence that they have authority to act on behalf of the policyholder and passes our data protection procedure.”*

I’ve thought carefully about whether EUI made it clear to Miss S that by taking out a single motor insurance policy her father or other ‘acceptable caller’ could add additional vehicles or

homes to her cover. Meaning her payment instruction will be used to collect the full premium owed for all vehicles and homes. I don't think it did. I say this because the first section of its policy booklet makes a distinction between a single and multicover policy. Miss S was the only policyholder, so the indication is that there were no other policyholders to make changes.

The first reference to a parent being able to make changes to a single policy is on the table on page 28 of the policy booklet. Miss S would need to read the last populated page of the booklet, access a web address, and then navigate through a series of different headings to find the definition of an acceptable caller.

Having considered all of this I can understand why Miss S was upset when changes were made to her policy and to the payment she was required to make. I don't think the information EUI provided was clear. Miss S explains that this incident caused distress and affected her relationship with her father. I acknowledge the changes were reversed on the same day. However, EUI wasn't aware of the relationship Miss S has with her father or the impact this incident could have. It should have obtained her permission before making the changes it did to her policy.

Miss S wasn't clearly made aware of the changes her father could make to her policy. This means I don't think she was in a fully informed position when taking out her policy. I agree with our investigator that a compensation payment is appropriate in these circumstances. EUI should pay Miss S £150 for the distress and inconvenience it caused her.

My final decision

My final decision is that I uphold this complaint. EUI Limited should:

- pay Miss S £150 compensation for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 30 December 2024.

Mike Waldron
Ombudsman