

The complaint

Mr T complains about Got You Covered Limited (“GYC”) and the mid-term adjustment they made on his insurance policy, which ultimately led to the voidance of his insurance policy.

Mr T has been represented during the claim and complaint process by his mother, Miss B. For ease of reference, I’ll refer to any comments made, or actions taken, by Miss B as though they were made by Mr T, throughout the decision where appropriate.

What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mr T purchased a motor insurance policy through GYC, who were acting in their role as the broker. The insurance policy itself was underwritten by a separate insurer, who I’ll refer to as “A”.

In May 2023, Mr T called GYC to change the car insured on this policy. And when doing so, he confirmed he was the “registered keeper, owner and main user” of the car. The policy was updated based on this information. Unfortunately, a short time later Mr T was involved in a road traffic accident that deemed his car a write off. So, he contacted A to make a claim. But when A validated the claim, they discovered Mr T’s mother, Miss B, was the owner of the car as she had purchased the car through finance on Mr T’s behalf. So, A declined the claim and voided the policy, explaining they wouldn’t have provided the insurance had they been aware of these circumstances.

Mr T was unhappy about this, so he complained to GYC, who were responsible for providing the policy information to A. Mr T felt GYC had mis-sold the policy to him when he made the mid-term adjustment and this had led to him being without his car or its value to clear the outstanding finance in Miss B’s name. So, he wanted to be compensated for the above.

GYC responded to the complaint, explaining why they felt they had provided A with an accurate reflection of the information Mr T had provided them. So, they didn’t think they were responsible for the policy voidance, or the financial implications this created Mr T. Mr T remained unhappy with this response, so he asked our service to investigate his complaint.

Our investigator looked into the complaint and upheld it. They didn’t think GYC had made it clear to Mr T that there was a difference between the “registered keeper” and “owner” of a car. And they thought if GYC had, Mr T may have avoided the policy voidance that later transpired.

So, they recommended GYC consider Mr T’s claim as if they were A, and pay Mr T £1,500 in compensation to recognise the financial consequences having to declare the voidance will create in the future, as well as the alternative travel costs Mr A incurred as he no longer had access to the car.

Mr T accepted this recommendation before explaining the car had since been sold at auction

for a price that hadn't covered the costs of the outstanding finance. But GYC didn't. They thought they had clearly asked Mr T if he was the registered keeper, main user and owner of the car. And that Mr T had confirmed he was. And they thought it was made clear in the policy statement of fact ("SOF") that this is the information Mr T provided. They explained why they felt Mr T had a responsibility to exercise reasonable care to ensure the information he provided was correct and so, they didn't agree that they had acted unfairly. As GYC didn't agree, the complaint was passed to me for a decision.

On 10 September 2024, I issued a provisional decision explaining my intention to not uphold the complaint. In that decision I said:

"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, it's my intention to not uphold the complaint. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr T. I appreciate he paid for the insurance policy underwritten by A. And that he purchased this policy directly through GYC acting in their role as the broker. So, when Mr T discovered the policy GYC had arranged didn't cover the claim he made, and this left him with a financial loss and the requirement to disclose a voidance that would likely impact future premiums, I can understand why he'd revisit the sale and arrangement of the policy and feel unfairly treated. So, I can understand why he's chose to complain.

But for me to say GYC should do something differently, for example cover the losses Mr T has incurred or compensate him for the same, I first need to be satisfied GYC have done something wrong. So, I'd need to be satisfied GYC acted unfairly when processing and arranging the mid-term adjustment, and that this led directly to the situation Mr T is now in. And, while I appreciate this will come as a disappointment to Mr T, I don't think that's the case and I'll explain why.

Before I do, I think it would be useful for me to explain what I've been able to consider, and how. I note our service had considered a complaint about A, and the policy voidance itself, separately. This complaint focuses solely on the actions of GYC in their role as the broker and so, I won't be discussing the actual voidance, and whether this was fair, throughout this decision.

And when thinking about any impact caused, I must also make it clear I can only think about the impact caused to Mr T directly, as he is the policy holder. So, while I understand the stress and anxiety this situation will have caused Miss B, who holds the outstanding finance agreement, this isn't something I've been able to consider.

I note it's not in dispute that it was listed on Mr T's policy that he was the owner of the car involved in the accident. And it's not in dispute that this wasn't the case, as Miss B purchased the car on a finance agreement in her name. So, I've focused on what does remain in dispute, which is whether GYC acted fairly and reasonably when taking this information and then providing it to A.

I've listened to the calls Mr T held with GYC when he contacted them to enquire, and then process, the mid-term adjustment to his policy where the car involved in the accident was added to his policy.

On the first call, when looking to obtain a quote for Mr T, GYC's hander asks Mr T clearly "Would you be the registered owner, keeper and main user" to which Mr T responds "I will

be". And in the second call, Mr T confirms he'd already spoken to GYC to confirm he'd been told the price of the policy would remain unchanged. Considering Mr T had already provided that answer to GYC the day before, while I think it would've been best practice for GYC to have asked the question again, I've seen nothing to persuade me that Mr T would've answered it differently. So, I think it's reasonable for me to assume Mr T would've provided the same answer and so, I don't think GYC's failure to ask this question on the second call alone means they've acted unfairly here.

But I recognise Mr T doesn't think it was made reasonably clear to him the difference between the registered keeper and owner of the car. And in our investigator's recommendation, they have set out why they don't think it was fair for GYC to ask for an answer to both of these questions at the same time. So, I've thought about this at length, to decide whether I agree. I don't on this occasion, and I'll explain why.

There is a responsibility on a customer, in this case Mr T, to take reasonable care to ensure the answers he provides to any questions he is asked are accurate.

In this situation, I note that the initial car insured on the policy was a car purchased by Mr T on a finance agreement in his name. And having listened to the second call between Mr T and GYC, while the handler placed Mr T on hold to process the change, I've heard Mr T explaining to someone in the background that Miss B had purchased the car for him. So, I think Mr T ought to have had a reasonable awareness that there was a significant change in circumstance between the previous car insured on the policy, compared to the one he was adding on in its place.

And considering the testimony provided in Mr T's complaint form, which explains Miss B did this as Mr T was unable to take out further finance, I think Mr T would have been reasonably aware of this intention when he answered GYC's question referred to above on the first call, the previous day.

So, while I appreciate why Mr T may feel as though GYC should've made it clear the difference between the owner and a registered keeper, I also think that, as there had been a material change in the way the two cars were purchased, Mr T ought to have made this clear to GYC when obtaining a new quote for the adjustment. And had Mr T done so, I think it would then have become clear that Miss B was the owner, which would have resulted in A receiving accurate information and the policy itself wouldn't have been provided on his new car.

Further to this, I've seen the policy SOF's from the original policy inception and after the adjustment was made. This makes it clear, in bold at the top of the document that "This statement of facts is a record of the information which you gave to your insurance broker on which your insurance policy is based. Any inaccuracies or omissions may result in an increased premium, claims not being paid in full or your insurance may not be valid and claims will not be paid. If you are in any doubt about the nature of the information which we requested or about the accuracy of this information recorded on this notice, please contact your insurance broker immediately."

And within both of these documents, it lists the registered keeper and owner as the policy proposer, which in this case is Mr T, with no material changes other than the car information itself. But crucially, I think Mr T ought to have had a reasonable awareness that the way the car had been purchased, and by whom, was different. So, I think it's reasonable to expect Mr T to read and understand this information and take reasonable steps to ensure the information provided was accurate.

Also, within the SOF's, the registered keeper and owner were listed separately, with separate answers. So, I think this makes it reasonably clear that the answers to these could be different and I think this further supports my belief that Mr T ought to have done more to ensure the information he provided was correct.

So, because of the above, while I do understand why Mr T feels GYC could have, and should have, done more to ensure he was providing the correct information for A to accurately underwrite the policy risk, I don't think I can say that it was GYC's fault alone that led to A being provided with information that was inaccurate.

While I think best practice may have been for GYC to separate the question regarding who the registered keeper and owner on the first call was, and potentially ask this again on the second call, I don't think I've seen anything that persuades me that even if they had, Mr T would've answered the question differently. And I don't think I can say Mr T took reasonable care when ensuring his answers to these questions were accurate, considering he ought to have had a reasonable awareness there was a material change in the owner of his new car, as it was purchased by Miss B under a separate finance agreement in comparison to the original car on the policy, which he purchased himself.

So, because of all the above, it's my intention to decide that GYC don't need to take any further action on this occasion."

Responses

Miss B responded to my provisional decision on Mr T's behalf, explaining why they didn't agree. Miss B set out how impactful the situation had been on Mr T, and his mental health. And Miss B reiterated why Mr T felt he had answered the questions correctly and accurately, considering the logbook was in Mr T's name.

GYC didn't respond to the provisional decision and so, provided no further comments for my consideration.

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 won't be changing my original conclusions and so, I'm not upholding this complaint. And I'll explain why.

My provisional decision that's been provided to both parties, and is set out again above, already sets out clearly why I intended to not uphold the complaint. So, I won't be repeating the points I made within it again.

But I want to reassure Miss B I have taken into consideration the impact this situation has had on Mr T, alongside the future impact it's likely to have due to the policy voidance and his need to declare this to future insurers.

And I also want to recognise that the vehicle documentation, including the logbook and V5, was in Mr T's name. This is something I don't dispute. So, I can appreciate why Mr T, and Miss B, feels this led Mr T to answer the questions posed by GYC in the way that he did.

But crucially, I don't think this ultimately impacts, or changes, my original decision. While I recognise these documents were in Mr T's name, I don't think this persuades me that Mr T shouldn't ought to have been reasonably aware that there was a material change in the way

that the car he was adding onto the policy was purchased. The original car on the policy, when the policy was incepted, was purchased by Mr T through a finance agreement in his name. And the replacement car, the one involved in the accident, was purchased by Miss B, on a finance agreement in her name.

So, at the very least, I would've expected this information to have been disclosed to GYC by Mr T, to query whether he was answering the questions they posed, and the information contained within his insurance documentation, correctly. As I've set out within my original decision, Mr T held a responsibility to take reasonable care to ensure the answers and information he provided to GYC were accurate. And I don't think I can reasonably say that's the case here.

Because of this, while I recognise this isn't the outcome Mr T was hoping for and I don't in any way intend this decision to take away from his lived experience and the suffering he's experienced, I'm unable to say GYC have done something wrong that means they should do something more on this occasion.

My final decision

For the reasons outlined above, I don't uphold Mr T's complaint about Got You Covered Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 23 October 2024.

Josh Haskey
Ombudsman