

The complaint

Mr P complains that U K Insurance Limited (“UKI”) hasn’t honoured a quote for a car insurance policy.

What happened

Mr P received a renewal quote for his car on 9 August 2024 for £1,334.41. He wasn’t happy with the quote as it was more than double what he’d paid the previous year. Mr P then used a price comparison website and received several lower quotes for his car than the one UKI gave him. One of them was with UKI for £392.86. Happy with this price, Mr P bought the policy through UKI’s website, as that’s where the price comparison website directed him to do so. The policy was due to start on 4 September 2024.

When Mr P received the policy documents through post, he noticed the make and model of the car was incorrect. Mr P got in touch with UKI to let it know about its error. But UKI told him that the car details were entered incorrectly, so it couldn’t continue with the policy he bought.

Mr P sent UKI screenshots of the price comparison website to show that he had entered the car details correctly. He finally spoke with UKI on 3 September 2024 and UKI accepted this was a known issue as Mr P’s car’s registration number was previously registered with a car of a different make and model. The quote was generated using the make and model of the previous car.

UKI first said it would honour the reduced price quoted on the price comparison website due to the known issue, but then said it couldn’t. This was because UKI was not offering new policies for the make and model of the car Mr P wanted to insure – it could only offer a renewal as an existing customer, with the price quoted at renewal.

Mr P then cancelled the policy he bought for a lower price as this wasn’t for the make and model of his car, and UKI issued him a full refund. Mr P also accepted the renewal quote at a slightly reduced price of £1,245.41 that UKI offered him over the phone, as he said he didn’t have time to buy another policy to start the following day.

After Mr P brought a complaint to our service, UKI offered Mr P £180 for the distress and inconvenience caused by the incorrect information. Mr P wants UKI to honour the quote he was given for £392.86 and refund him the difference he paid.

One of our investigators looked into what had happened. Having done so, he accepted UKI had given Mr P incorrect information, but he thought the offer it had made was fair and reasonable for the distress and inconvenience caused. He didn’t think UKI needed to honour the quote Mr P was provided through the price comparison website as this wasn’t a price he was entitled to. The investigator also said that Mr P had a 14-day cooling off period and he could have cancelled his policy with UKI if he wanted to take a policy with another insurer instead.

Mr P disagreed with the investigator's findings. In short, he said he had a contract with UKI for the policy he bought with the lower price. He also said he wasn't aware of the cooling off period, and the terms of it. As no agreement was reached, the complaint was passed to me to decide.

UKI then sent further information. It said that this issue had happened with Mr P's renewal in 2022, and UKI honoured the lower quote Mr P had got. So, it said Mr P was aware of the issue. UKI also said that Mr P would have been directed to UKI's website to buy the policy after getting a quote from the price comparison website. Mr P would have been asked to check all details were correct, and at that point the car details would have shown as the incorrect make and model. And Mr P would have bought the policy on this basis, rather than the correct make and model of his car.

I asked Mr P for comments on what UKI had said. Mr P said he recalled an issue previously with his car being misidentified but couldn't remember if this was with UKI. Mr P also said that he didn't have screenshots of UKI's website from when he bought the policy, only those he took from the price comparison website. But he said that had he seen the make and model of the car to be incorrect when he bought the policy, he wouldn't have proceeded to buy it. He only noticed the error once he received his policy documents. Mr P maintained that UKI hadn't treated him fairly.

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.

When reaching my decision, I need to consider any relevant law and regulations. However, my role is to decide what's fair and reasonable. And where a mistake has happened, the aim is to put the consumer back into the position they would have been in, had there been no mistake.

UKI has accepted that the quote Mr P was given through the price comparison website was generated using incorrect vehicle details – even though Mr P had entered the correct ones. Had the correct vehicle details been used, UKI has shown that it wouldn't have offered a quote for the make and model Mr P wanted to insure. That means that had there been no mistake, Mr P would have been unable to buy a new policy with UKI. He would only have been able to accept the renewal, which he did.

It's clear that this error caused Mr P unnecessary distress and inconvenience when he had to get in touch with UKI to correct the error. He also had to chase UKI several times, and it would have been frustrating to not know what policy UKI could offer him. However, I can see that UKI explained early on that it wasn't able to offer the policy Mr P received a quote for, and it clarified the situation before his existing policy expired – albeit on the last day. Overall, I think UKI's offer to pay Mr P £180 for the distress and inconvenience caused is fair and reasonable in the circumstances.

Additionally, I can see that to buy the policy, Mr P had to either phone UKI or go to its website. UKI has explained that when doing so, Mr P would have been asked to confirm the details of the make and model of his car before he bought the policy. This would have shown the car details to be incorrect. This further persuades me that it wouldn't be fair or reasonable to ask UKI to honour a quote generated by the price comparison website.

Mr P has focused on having a contract with UKI. But the terms and conditions of Mr P's policy also allow UKI to cancel the policy with a valid reason. I think it was reasonable for UKI to say that the policy that was set up with incorrect car details should be cancelled, as it didn't underwrite new policies for Mr P's car. Mr P ended up cancelling the policy, and he received a full refund. I think this was fair and reasonable.

My final decision

My final decision is that I uphold Mr P's complaint and direct U K Insurance Limited to pay him £180 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 4 February 2025.

Renja Anderson
Ombudsman