

The complaint

Miss W complains Brightside Insurance Services Limited ("Brightside") has treated her unfairly in relation to information about her no claims discount (NCD).

What happened

Miss W took out her car insurance policy through Brightside in July 2021. It renewed the following year and was due to run from 6 July 2022 until 5 July 2023. Prior to this she says she had nine years NCD.

Two years later in 2023 Miss W took out insurance through another provider. Her premium was high but she wasn't sure why since she thought she had 11 years NCD. Six months into the new policy Miss W needed to upgrade her policy to a commercial one. But she was declined cover. Miss W says she was told the reason for declining cover was due to her only having two years NCD.

Miss W says as a result of this her premiums were very high and this led to financial hardship since there was a marker against her name. Miss W wants compensation for the consequences of Brightside's actions. So she complained.

Brightside say Miss W's policy lapsed on 6 July 2023 since she didn't renew it for the following year. Following the lapse of the policy it sent Miss W a proof of NCD and this was for two years. At the time there was an open claim on Miss W's policy resulting in a reduced NCD. Once it was established the open claim was non-fault Brightside adjusted the NCD to 10 years.

Brightside agreed to issue Miss W with 11 years NCD and apologised for the failure to administer the policy effectively. Miss W wasn't happy with the response from Brightside and so, she referred her complaint to this service.

Our investigator looked into the complaint and upheld it. They thought the apology from Brightside wasn't enough given the impact on Miss W so recommended it pay £200 to reflect the distress and inconvenience caused. The investigator also said if Miss W could evidence the increased premiums then Brightside should reimburse her for that plus 8% simple interest.

Miss W didn't agree the award for distress and inconvenience was sufficient. She sent evidence of the increase in insurance costs as a result of the error with the NCD.

Brightside didn't agree with the investigator's outcome. It said at the time the policy lapsed Miss W was entitled to two years NCD as there was an open claim on the policy. Brightside said it didn't hear from Miss W until January 2024 when she queried the level of NCD provided. The agent made a mistake by sending proof of NCD at 10 years rather than 11 years but this was corrected by 11 January 2024. Brightside said it couldn't be held responsible for not updating Miss W's NCD if it wasn't aware the claim had been closed as non-fault and the NCD had been allowed. It said percentage values were unlikely to change much over 5 years NCD and so offered £50 compensation.

Because neither party agreed the complaint came to me to decide.

My provisional decision

I recently issued a provisional decision setting out my thoughts on the key complaint points and how I thought matters might be best resolved. I said:

It's not my intention to uphold this complaint. I'll explain why.

Before I explain my decision I feel it would help to clarify what I can and can't consider in this decision. Miss W has complained against Brightside which is the broker for her car insurance policy. The insurer is a different business to Brightside and therefore I'm unable to comment on the actions of Miss W's insurer in this decision.

Brightside has provided Miss W with information about her NCD that she says has been incorrect on more than one occasion. Initially it said her NCD was two years. When she questioned this it amended the NCD to ten years but this wasn't correct. So Miss W chased again and she was provided with the correct NCD. Since the complaint has come to this service Brightside confirmed the actual NCD is 11 years.

So, its clear to me that Brightside failed to give Miss W clear, fair, and not misleading information as we'd expect. I've thought carefully about the impact this had on Miss W. She wasn't aware her NCD hadn't been updated when she took out her new policy in 2023. So when she complained to Brightside in January 2024 it immediately took steps to rectify the matter. Brightside contacted Miss W's insurer to ascertain the claim on her policy had closed as notification only with no costs paid. So Brightside updated Miss W's NCD to reflect this. It is unfortunate that Brightside initially said the NCD was 10 years but, when Miss W raised this the NCD was corrected.

So, the period from when Miss W initially contacted Brightside on 2 January 2024 to when the matter was resolved on 11 January 2024 was fairly short. And while I accept there was some inconvenience for Miss W I don't think it was significantly more than is expected in our day-to-day lives.

Miss W says the incorrect NCD impacted her premium after her policy lapsed in July 2023. But I haven't seen any evidence confirming this. I've seen evidence of the cost of the premium but nothing from her insurer to show what the premium would have been had she applied for the new policy with 11 years NCD.

Miss W's policy lapsed in July 2023. At that stage there was an open claim on her policy. Brightside said as a result of the open claim Miss W's NCD had been reduced in line with policy terms. Brightside didn't receive notification the claim had closed with no payment until it contacted the insurer in January 2024, so I don't think it can be held responsible for something that isn't within its control.

Brightside issued Miss W with her NCD in July 2023. At the time the NCD was issued the claim remained open so I'm persuaded it provided the correct information based on the information it had at the time. Miss W didn't approach Brightside to query her NCD until January 2024 and, when she did, it acted swiftly to resolve her concerns. Based on that I think had she approached Brightside sooner it would have resolved her issue with her NCD just as swiftly.

I invited both parties to let me have any further comments they wished to make in response to my provisional conclusions.

Response to my provisional decision

Neither party raised any additional points or comments not previously considered.

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.

In light of the fact that neither Miss W or Brightside had anything new to add to the findings set out in my provisional decision (which I've reproduced here and which forms part of this final decision), I'm satisfied it represents an appropriate way to resolve the dispute.

I know my answer will be disappointing for Miss W but overall I think Brightside has acted fairly and reasonably. Where it has accepted a failure in service it apologised and rectified the mistake quickly. It has also offered Miss W £50 compensation to reflect the distress and inconvenience. Miss W should contact Brightside if she now wishes to accept this.

My final decision

For the reasons I've explained I don't uphold Miss W's complaint about Brightside Insurance Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 6 December 2024.

Kiran Clair
Ombudsman