

The complaint

Mr E complains about the way BISL Limited dealt with an issue he raised when a claim he wasn't involved in was logged against his insurance record.

Mr E's insurance policy is underwritten by another company, but the policy was arranged and administered by BISL. For ease of reference, I'll refer to BISL throughout this Decision.

What happened

Mr E took out a car insurance policy in February 2024. He was then contacted in March 2024 and told his insurers had identified a claim on the Claims Underwriting Exchange (CUE) which hadn't been disclosed to them. They said they needed to check the claim information on CUE was correct, and that if it was, there may be an increase in the premium charged for the policy. The letter said that if Mr E felt the information was incorrect, he would need to contact his previous insurer to check the information being recorded.

Mr E said the claim wasn't one he had been involved in and he contacted the insurer who had recorded the claim on CUE, as well as the Motor Insurers Bureau (MIB). Ultimately, he was able to show that the claim had been recorded against him incorrectly. He raised a complaint with BISL due to delays with communication, as well as being unhappy that he could have been charged an additional premium.

Mr E said he didn't receive any response to his complaint, so he brought it to this Service. An Investigator looked at what had happened but didn't think the complaint should be upheld. She said BISL were required to validate information given to them by other insurers which was recorded on CUE. And she said that as Mr E hadn't been charged any additional premium, he hadn't been financially impacted in any event. In respect of communication delays from BISL, she felt the compensation offered to Mr E of £30 was fair and reasonable.

Mr E didn't agree with the Investigator's recommendation. He said that BISL hadn't followed correct procedure in respect of how they dealt with his complaint. And that BISL didn't recognise they had incorrectly marked the claim as being something Mr E was involved in. He felt the compensation amount didn't make up for the inconvenience he had experienced trying to sort the issue out.

Mr E asked for an Ombudsman to consider the complaint – so it's 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.

When this Service looks at a complaint, we need to decide whether a business did something wrong, and if so, what the impact was to their customer.

The crux of this complaint is that Mr E says BISL were wrong to record a claim as being made by him when he wasn't involved in the accident. But it's important to note that BISL didn't record this claim, it was only identified when looking to validate Mr E's policy on CUE. And from looking at what steps they took next, I think they acted fairly, and in line with industry practices. BISL contacted Mr E and said that they had identified an undisclosed claim and explained what this would mean for Mr E's policy. When Mr E contacted BISL to explain the claim wasn't his – they confirmed this could be removed and it wouldn't have an impact on his policy's premiums if this was the case.

While I can see there was no response sent to update emails from Mr E, BISL did confirm in April 2024 that no further action was needed. And while Mr E raised a complaint about potentially being financially impacted, it's also important to note that this Service wouldn't usually make an award of compensation for a theoretical impact. Instead, we can award compensation to recognise the actual impact a business' actions have had on their customer in a particular complaint.

I sympathise that Mr E spent time trying to resolve this issue and I agree this would have been frustrating. But the claim wasn't recorded by BISL, so I can't reasonably conclude they did anything wrong here. And when they were made aware of the issue, I think they took appropriate steps to resolve it, and confirmed Mr E wouldn't be financially impacted.

BISL did acknowledge there had been some administrative errors in responding to emails and I can see the final response they sent wasn't delivered to Mr E via email. They've made a payment of £30 compensation for this. While I appreciate Mr E feels the sum isn't enough to compensate him, this Service's approach to compensation awards requires me to think about what amount would be fair, taking into account how a customer was actually affected.

And having looked at everything that's happened here, because Mr E hasn't been financially impacted by anything BISL did wrong, I'm satisfied this sum is fair and produces a reasonable conclusion to this particular case - so I won't be asking BISL to increase this.

My final decision

For the reasons given above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 11 February 2025.

Stephen Howard
Ombudsman