

The complaint

Mr J complains about the way Adrian Flux Insurance Services Group (“AFIS”) administered his motor insurance policy.

What happened

The circumstances aren’t in dispute, so I’ll summarise the background:

- Mr J took out a motor insurance policy with AFIS, an independent intermediary, in June 2023. The policy was underwritten by an insurer I’ll refer to as A. It cost around £600 for the year.
- A registered two incidents for Mr J in May 2024, one of which he made a claim for. It was accepted and settled as a total loss in early June. A third-party insurer accepted liability and, by September, the claim was closed as non-fault. The other incident was closed as non-fault in August.
- Whilst the claim was ongoing, Mr J bought a new car to replace his total loss car. He asked AFIS to update the policy accordingly. It checked with A, who declined to offer cover for the new car.
- AFIS checked with other insurers and found one who would offer cover for around £7,500 – over ten times as much as the policy with A for the old car. AFIS said this increase had arisen because, at that time, Mr J had two outstanding incidents with A. And he’d lost his no claims bonus (“NCB”) protection following the claim.
- AFIS later accepted it had removed the NCB protection in error and had it reinstated. It returned to the insurer willing to offer cover and told Mr J the reinstated NCB would reduce the cost to around £6,500. As that was still significantly more than he’d paid before, Mr J didn’t take out the policy.
- I understand Mr J instead turned to temporary insurance cover, which he says cost a lot of money. After the claim and the other incident were closed, Mr J took out an annual policy through a different provider for around £1,200 – approximately double what he’d paid before. Mr J complained.
- AFIS apologised for removing the NCB protection in error and said it had no influence over the prices charged by insurers.
- Our investigator thought the error AFIS had made when removing the NCB protection had caused Mr J some distress and inconvenience and it should pay £100 compensation as a result. She didn’t think AFIS was responsible for the premium increase and had otherwise acted fairly.
- AFIS didn’t respond. Mr J said £100 compensation was disappointing and insulting, given how much he’d spent on temporary insurance. As an agreement wasn’t

reached, the complaint has been passed to me.

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.

- This complaint is against AFIS and is limited to activities AFIS is responsible for. It's an independent insurance intermediary or broker. That means its responsibility is broadly to find, sell, and administer insurance policies for customers. It's not an insurer, so it's not responsible for how claims are handled or the amount an insurer charges for an insurance policy.
- I can't hold AFIS responsible for the actions of any of the insurers involved. Mr J has made a complaint against the insurer, A, who was responsible for the claim and some related matters. That will be considered separately.
- In summary, the complaint against AFIS is that it's contributed to Mr J's increased insurance costs or should otherwise pay for them. There are a few different complaint points for me to consider and I'll take each in turn.

NCB protection removal

- AFIS has accepted it made an error when it removed NCB protection from the policy in 2022. As a result, it got in touch with A to reinstate the NCB and put its error right.
- Like our investigator, I think this error caused Mr J some avoidable distress and inconvenience. He was shocked and concerned to discover the NCB protection had been removed without his agreement – and had contributed to a significant increase in the premium costs he was being quoted by AFIS.
- But I don't think it's been shown that this error caused Mr J a financial loss. AFIS initially offered him a policy with the NCB reduced due to the lack of protection – but he didn't take this policy out. And once the NCB was reinstated, any policies taken out after that time would have taken into account the full NCB – so Mr J couldn't have been financially disadvantaged.
- It's possible Mr J took out a policy during the period of time when his NCB was unfairly reduced, *and* the insurer charged an increased premium as a result. If this happened, it's likely to be during the period he took out temporary insurance. But I haven't seen any evidence of that, so it's not clear that this happened – or, if it did, what the increase was. So I won't require AFIS to pay anything. Mr J is entitled to explore this further and provide relevant evidence to AFIS for it to consider.
- In these circumstances, I'm satisfied £100 is a fair and reasonable amount of compensation. This amount is solely for the non-financial impact of the error – which is the distress and inconvenience caused to Mr J. It's not for any increased insurance costs he paid.

New premium quotes and costs

- As I set out above, AFIS isn't responsible for the premiums charged by insurers. Its NCB protection error meant the quote for Mr J's new car insurance was initially greater than it should have been. But, once that was put right, the quote was still

significantly higher than Mr J paid before. That's not something I can hold against AFIS as it simply isn't responsible for the premium the insurer quoted. And Mr J didn't go on to take out the policy, so he didn't lose out due to that quote in any case.

- Similarly, I can't hold AFIS responsible for the cost of the new policy Mr J took out through a different insurer at around £1,200 as AFIS isn't responsible for what that insurer charged.
- Nor is AFIS responsible for Mr J taking out temporary insurance. So I won't hold those costs against AFIS either.
- As a result, I'm not satisfied AFIS has acted unfairly in relation to the quotes and costs of new insurance policies – aside from any impact of the unfairly reduced NCB described in the section above.

Overall

- For the reasons given above, I'm satisfied the remedy suggested by our investigator – £100 compensation – is fair and reasonable in the circumstances.
- Mr J strongly disagreed with that. I think his position is motivated, at least in part, because of the following circumstances:
 - He was paying around £600 for motor insurance in 2023.
 - He was then involved in an accident that wasn't his fault.
 - He's since paid a lot of money for temporary insurance and then an annual policy at around £1,200 in 2024.
 - So, as a result of an accident he didn't cause, he's paid a lot more for insurance than he otherwise would have done.
 - This has caused him a financial loss and he doesn't think this is fair.
- I appreciate why Mr J may find these circumstances and the impact on his finances unfair. But I can only uphold his complaint against AFIS if AFIS has acted unfairly. And I can only require AFIS to compensate him for the impact of that unfairness.
- In my view, AFIS' role in these circumstances and the impact on Mr J's finances was minimal. It didn't cause the accident which led to the claim, it didn't handle the claim, and it didn't set the premiums charged by any of the insurers. At most, its error *may* have contributed to an increased premium for a brief period of time – but that's not been shown. As a result, I'm not persuaded it would be fair for me to require AFIS to pay anything more than I've set out above.
- Taking all of this into account, I'm satisfied £100 compensation is a fair and reasonable remedy to this complaint.

My final decision

I uphold this complaint.

I require Adrian Flux Insurance Services Group to pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 3 March 2025.

James Neville
Ombudsman