

The complaint

Mr S has complained about the service provided by First Central Insurance Management Limited ('First Central') in relation to his motor insurance policy.

What happened

Mr S purchased a motor insurance policy in June 2024 to be incepted in July 2024. First Central noted that Mr S obtained two quotes from First Central, one with an endorsement and the other without. First Central then requested a copy of Mr S's photo card driving licence. Mr S wasn't happy to provide this to First Central, and he therefore cancelled the policy and complained to First Central. He felt that the information could have been obtained without his photo card. Mr S was concerned that this approach went against GDPR. He wanted the cancellation fee to be refunded. He also wanted to be refunded for the difference between what he had to pay at short notice for his new policy, and the First Central policy.

First Central referred to its standard policy terms and conditions and considered that it had fairly applied them in this instance, as it needed to verify information in the light of the discrepancies highlighted during the quote process.

Following Mr S's complaint, First Central maintained its stance. In the circumstances, Mr S referred his complaint to this service. The relevant investigator didn't uphold Mr S's complaint. It was her view that Mr S hadn't been treated unfairly, or differently to anyone else. It was her view that First Central was entitled to ask for further evidence and the documents listed were proportional and relevant to the information being requested.

As Mr S is unhappy with the outcome of his complaint, the matter has been referred to me to make a final decision in my role as Ombudsman.

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 determining this matter, I've also considered the submissions of the parties as summarised below. The key issue for me to determine is whether First Central acted in a fair and reasonable manner as regards the way in which it wished to verify identity and satisfy itself of any endorsements upon Mr S's driving licence. I can't say that it acted in an unfair or unreasonable manner, and I'll explain the reasons for my decision below.

I firstly turn to Mr S's submissions in relation to this matter. In summary, he was unhappy that First Central asked him to send a copy of his photo card driving licence to prove that he'd made a mistake with the dates detailing certain endorsements. He accepted that First Central were entitled to ask for documents to prove that information he'd provided was correct, but he felt that this could be obtained through other means, such as a DVLA licence check.

Mr S had spoken to the DVLA to confirm his research, and he also provided a copy of the form which would be filled in if a person accepted a fixed penalty and points on a licence. This specifically directs the person not to send the licence and to just fill out the licence number. He wondered whether there was a legacy aspect to First Central's systems when convictions used to be listed on a paper licence, whilst the photo card system eliminated this *'as the check code aspect was added by the DVLA for that purpose'*.

Mr S considered that First Central's stance was contrary to GDPR, and he had deep concerns about potential fraud in relation to such sensitive information. He now wanted the relevant fee to be refunded and said that he wouldn't have cancelled the policy if First Central hadn't been so unreasonable. As for records of four particular telephone conversations he'd had with First Central, he said that these documented the *'creep of information'* requested by First Choice, which he considered to be disproportionate in terms of what was necessary.

Mr S added that as he had to go back into the market at short notice, the timeframe was short, and he ended up taking out a far more expensive policy. He therefore wanted First Central to refund the difference in cost. Finally, he considered that he should have been given the option to cancel before First Central had taken his money.

I now turn to First Central's response to Mr S's complaint. It noted that when Mr S purchased the policy, it ran quotes with differing information. It was for this reason that it had sent a request for Mr S to send information so that it could validate matters. It said that the reason for this was firstly, to ensure that in the event of a claim, the policy information was correct. If it wasn't correct, then this could invalidate a claim and *'potentially lead to a policy being declared void'*. Secondly, First Central said that the correct premium needed to be charged to ensure that all customers were paying the correct cost for the risk being insured.

First Central said that it had listened to relevant call recordings and noted that Mr S said that he'd made two errors, one relating to the date of a motoring conviction date and the other relating to mileage. However, it said that it was entitled to request documents at any time during a policy term, in accordance with the wording of the policy. This stated that failure to provide the requested documents may lead to the policy being cancelled.

In conclusion, First Central stated that as Mr S had refused to supply his photo card licence, and he'd chosen to cancel the policy, it didn't consider that it had made any errors. It considered that it had made a reasonable request in order to validate his details.

I now turn to the reasons why I've not upheld Mr S's complaint. I've listened carefully to the four telephone calls which Mr S considers were indicative of cumulative unreasonable or unfair requests for information by First Central. I've noted that First Central was consistent throughout that it would indeed need to see the photo card driving licence. As well as this being in relation to checking endorsements, on one call, it was confirmed that this was also to verify matters

I take Mr S's point that he considered that there was a historical or legacy aspect to First Central's systems, as convictions used to be listed on paper licences and that the photo card system eliminated this. Whilst it is noted that First Central insisted on this particular form of confirmation, I've no reason to believe that it treated Mr S differently to any of its other customers where the same circumstances applied. The relevant telephone call suggested that this was needed to check licence information as well as endorsements.

I entirely understand Mr S's concern and reluctance to share his photo card identity with various organisations. I also have no doubt that the reason for his concern was around the issue of identity fraud.

Moving on to the specific circumstances of this case, I can see that First Central decided that it wished to make further checks when Mr S made a mistake whilst obtaining a quote, being to do with a motoring conviction date and mileage. I've no reason to believe that these were anything other than mistakes and that there was no intention by Mr S to manipulate information in order to obtain a better quote. Nevertheless, insurers clearly have a duty to the insurance industry and its genuine customers to verify the details of customers seeking a quote where different details have been provided in quick succession. It would also be necessary to check the information for the purposes of calculating the correct premium.

In this case, I understand that First Central asked for Mr S's proof of no claims discount, his photo card driving licence, as well as the unique checking code from the DVLA. I appreciate that different insurers may have different standard requirements and First Central's requirements may well be more stringent or extensive than the requirements of other organisations. They will all however be bound by strict requirements as to the security of an individual's data and will need to adhere to the GDPR.

Customers are invariably warned to read policy documentation carefully to ensure that it satisfies their needs. In this case, First Central made it clear within the terms and conditions of the policy that; *'The insurer may ask to see a copy of your driving licence and proof of your no-claims discount. If you fail to provide these when asked, the insurer may cancel your policy'* and Mr S would have had the opportunity to check this provision in taking out cover.

Whilst I do have some sympathy with Mr S's position, I can't say that First Central has applied its clear standard policy wording in an unfair or unreasonable manner in this case. I appreciate that Mr S's complaint is more fundamental. In essence, it's about whether First Central's policy approach as regards insistence upon sight of the actual photo card driving licence in all such cases is fair. Unfortunately, I'm unable to dictate First Central's future policy approach to such matters, although I trust that it will reflect on the matter. It may for instance wish to obtain guidance from both the Financial Conduct Authority and the Information Commissioner's Office on its future policy approach, in order to ensure best customer practice for the future.

In conclusion, I consider that First Central acted in a fair and reasonable manner in asking Mr S to provide the further proof and the documents listed in its policy documents. I don't therefore require First Central to do anything else in relation to Mr S's complaint.

My final decision

For the reasons given above, I don't uphold Mr S's complaint and I don't require First Central Insurance Management Limited to do any more in response to his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 February 2025.

Claire Jones
Ombudsman