

## **The complaint**

Mr M complains Atlanta Insurance Intermediaries mis-sold him touring caravan insurance.

## **What happened**

In 2017 Atlanta sold Mr M touring caravan insurance. It renewed each year. In June 2024 Mr M's caravan was damaged whilst being towed by a car. He estimates repairs will be around £4,000. His insurer, a different firm to Atlanta, declined his claim for the loss. It said due to a 'towing on the road' endorsement (the endorsement) in his policy the damage wasn't covered. The endorsement meant the caravan wasn't covered when being towed on roads, except for a yearly round trip for maintenance purposes. Mr M complained to the insurer about the claim decline, but it maintained its decision.

He contacted Atlanta to find out why the touring caravan policy it sold him didn't cover touring. It explained that after a phone call, related to his 2022 renewal, it had recorded his caravan as 'permanently sited'. Mr M complained to Atlanta, explaining he had never stated the caravan would be permanently pitched. Instead, the caravan is a touring one, used each year for holidays. He said Atlanta's adviser had made a mistake in 2022.

Atlanta didn't uphold his complaint. It said that, in 2022, Mr M had told it the caravan was now permanently sited. It added it had issued policy documents for 2023 and 2024 stating the caravan was permanently sited. It didn't accept it was at fault in any way.

Mr M referred his complaint to the Financial Ombudsman Service. He said he was shocked to learn his caravan wasn't covered whilst touring. He considered Atlanta's adviser didn't understand the difference between seasonal pitch and storage. He complained Atlanta didn't handle his renewal correctly, failing to inform him it was removing touring cover from his touring policy. He felt policy documentation provided by Atlanta was unclear. To resolve his complaint, he asked for his caravan to be repaired.

Our Investigator wasn't persuaded Atlanta had mis-sold the policy. She reviewed a recording of the 2022 call. She said Mr M hadn't mentioned he would be touring with the caravan. She considered Atlanta had renewed the policy in line with information he provided. As Mr M didn't accept that outcome the complaint was passed to me for an Ombudsman's consideration. Mr M said at no point did he tell Atlanta he no longer wanted touring insurance, and neither did it ask if he wanted to cancel the touring cover.

I issued a provisional decision. Its reasoning forms part of this final decision, so is copied in below. In it I explained why I intended to require Atlanta to cover the cost of repair to the caravan and pay Mr M £300 compensation. I also invited him and Atlanta to provide any further evidence or comments they would like me to consider before issuing this final decision.

### ***what I've provisionally 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.*

*As this is an informal service I'm not going to respond here to every point or piece of evidence Mr M and Atlanta have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted. Having done so, I intend to find Atlanta mis-sold the insurance – and require it to take steps to put things right for Mr M.*

*The full wording of the endorsement, responsible for the claim decline, is:  
"Endorsement 6 -Towing on the Road Exclusion. Your policy excludes any cover for towing your caravan on any public highways or roads except for a single round trip during your period of insurance from site, risk address or storage location to a service centre and back to your site, risk address, or storage location for the purposes of service maintenance."*

*That endorsement removes cover for any caravan that is being towed, effectively changing a touring caravan insurance policy to something closer to a static caravan policy. I refer to this as a removal of touring cover. First, I've set out my understanding of how and when that endorsement, responsible for the claim decline, was applied to Mr M's cover. The dates below refer to the date of policy inception, not necessarily to date documentation was sent. If Atlanta disagrees with any of the below it can explain why in response to this provisional decision.*

- *2017 – 2021: Atlanta arranged 'touring caravan' policies for Mr M – covering his caravan against loss when touring, being towed etc. For the question of 'permanently sited' an answer of 'no' was recorded.*
- *January 2021: Atlanta arranged a policy, provided by Insurer A, with touring cover. Caravan is recorded as 'not' for the question of 'permanently sited'.*
- *January 2022: Atlanta offers a renewal with Insurer A. Before inception Mr M calls Atlanta to inform of a change in storage location. Atlanta changed the storage location and recorded the caravan as 'yes' for 'permanently sited'. Cover was unaffected by the change at this point, with Insurer A still providing touring cover.*
- *January 2023: Atlanta offered Mr M a choice of insurer at renewal – Insurer A or Insurer B. The caravan is recorded as 'yes' for 'permanently sited'. Insurer B is around £200 cheaper, but its policy comes with the endorsement. The default option is for Mr M to remain with Insurer A. He doesn't contact Atlanta to opt for a change to Insurer B, so Insurer A's policy renews automatically.*
- *January 2024: Atlanta presented Mr M with a similar choice as in January 2023. The caravan is recorded as 'yes' for 'permanently sited'. Again, Insurer B's policy is around £200 cheaper and comes with the endorsement. The key difference this time is Insurer B is now set by Atlanta as the automatic default option – so unless Mr M contacts Atlanta to ask to remain with Insurer A, his cover will change to Insurer B. Mr M doesn't contact Atlanta to opt to remain with Insurer A. So Atlanta moved Mr M's cover to Insurer B, arranging the new and different policy for him, bringing the endorsement into play. Mr M's touring caravan is no longer covered when being towed, so it isn't covered for touring.*
- *June 2024: Whilst the caravan is being towed, for touring purposes, its damaged. Insurer B cites the endorsement as the reason for declining Mr M's claim.*

*My understanding from this timeline is that Mr M's touring cover wasn't removed in January 2022. Instead, the misunderstanding from Atlanta about storage, from that month, causing it to record that the caravan was 'permanently sited' started a chain*

*of events. It resulted in Mr M being offered and sold Insurer B's policy with the endorsement. Atlanta can correct me if I have misunderstood.*

*I consider Atlanta to be responsible for two failings that ultimately resulted in Mr M being unfairly without suitable cover, and a declined claim. The first was during the January 2022 call, recording the caravan as permanently sited. The second is it arranging Insurer B's policy, significantly restricting Mr M's cover, without Mr M's informed consent.*

#### *the 2022 phone call*

*When selling Mr M insurance Atlanta was required to provide him with clear, fair and not misleading information. I'd also expect it to ask him clear questions, to enable it to understand his circumstances correctly. Atlanta failed to do both in the call.*

*Mr M's original 2022 policy year renewal documents for his touring caravan insurance recorded his caravan as being stored at his home address. Ahead of the 2022 renewal he called Atlanta to let it know he would be storing it at a caravan park. I've listened to a recording of that call – although I note an earlier initial part of the call with a different adviser is missing.*

*As a result of that call Atlanta made changes to its record of Mr M's circumstances that ultimately resulted in him being provided with the policy that removed touring cover. It changed the caravan's status to 'permanently sited'. Considering Mr M's previous use of the caravan, the purpose of a caravan, the nature of 'touring caravan insurance' and the significance of the change in status; Atlanta should have done more to ensure it understood his situation – and more to make clear the potential ramifications of the change it had recorded.*

*Atlanta's adviser asked Mr M if the caravan will be permanently sited at the caravan park, or would be there just for the winter. Mr M said it would be for the whole year. The adviser appears to have taken this to mean the caravan will no longer be used for touring ie remaining on the site for 365 days a year.*

*She then makes a comment about the caravan being on site for the whole time. She doesn't allow Mr M an opportunity to respond, instead moving on to ask a question about the caravan site itself. Mr M didn't understand she had recorded the caravan's status as one that never leaves the site. I can't say that was unreasonable, the adviser didn't explain her understanding. It seems he considered the site to be permanent storage for his caravan, but from which the caravan would still be taken on occasion for touring holidays.*

*At no point did Mr M state the caravan would no longer be used for touring. At no point did he ask for a change in relevant cover. At no point did Atlanta ask him if the caravan would or wouldn't be used for touring. It should have done so, rather than deciding, based upon a vague, unclear conversation, that it wouldn't.*

*Atlanta went on to explain the change in policy terms resulting from Mr M's requests around awning and contents cover. However, it didn't explain the much more significant change – that his caravan being noted as permanently sited was considered to never to leave the caravan site for touring purposes. I presume it didn't raise that as there was no immediate relevant reduction in cover. However, Atlanta as the insurance expert, with responsibilities for providing clear and fair information to its customer, should have done more to explain the potentially significant consequences of the change.*

*Mr M continued to use his caravan for touring after that phone call. I've no reason to believe his intention at the time of the call was any different. For that reason, I'm satisfied, had Atlanta asked a clear question about the touring status of the caravan or explained the potential consequences of recording the caravan as permanently sited, he would have made it clear the caravan would continue be used for touring. Atlanta would then have kept the caravan's status as 'not' for permanently sited.*

*As far as I understand it, if that had happened, Mr M would never have been offered and sold a policy with the endorsement, or any similar restriction.*

#### *the 2024 policy sale*

*By arranging a policy with Insurer B, rather than Insurer A, Atlanta removed, from Mr M's touring caravan insurance, cover for when his caravan was being towed or touring. That's a fundamental change in cover, a significant limitation, considering the purpose of touring caravans and the related cover offered by touring caravan insurance.*

*In 2023 Mr M was offered a choice. But the default was to continue with Insurer A, including its touring/towing cover. He didn't actively opt for Insurer B even though its policy was significantly cheaper than Insurer A's. This ought to have indicated to Atlanta that he either didn't want the significantly reduced cover offer by Insurer B, and / or he wasn't fully engaged with the renewal process. Mr M has said he simply let his policies renew, assuming he would remain on the same cover. I think that is reflected by his cover history.*

*However, despite the above Atlanta chose, in 2024, to make Insurer B the default option for Mr M. In the circumstances I consider that an unreasonable decision. I accept the endorsement was set out in a comparison table, and in Insurer B's policy documentation. But, with the significance of the restriction in cover, removing touring and towing cover from a touring caravan policy and Mr M not opting for Insurer B in 2023, Atlanta shouldn't have arranged Insurer B's policy for him without his explicit, informed consent. By not obtaining such consent it effectively made a decision, on Mr M's behalf, to significantly reduce his cover.*

*Mr M intended to continue using his caravan for touring. So I'm satisfied had Atlanta, in 2024, offered Mr M the same choice as in 2023, he would have remained with Insurer A by default. Alternatively, had Atlanta contacted him by telephone to obtain his consent, informing him of the reduction in cover, he would have rejected Insurer B's policy and chosen instead to remain with Insurer A.*

*With the significance of the reduction in cover, I don't consider the references to the endorsement in Mr M's policy documentation to be enough to make up for Atlanta's earlier mistakes. He had never intended to, or indicated to Atlanta, that the caravan would no longer be used for touring. In addition, Atlanta sent him policy documentation for both Insurer A and Insurer B. With that amount of information, and him not anticipating touring cover might be removed, I consider it reasonable that, even if he reviewed the documents, he didn't pick up on the introduction of the significant limitation of cover. So he didn't act unreasonably, or without care, by not realising from the various policy information the impact of the endorsement.*

#### *putting things right*

*Unfortunately, Mr M's caravan was damaged. Had Atlanta not made the mistakes set out above he would still have had an insurance policy, with Insurer A, that covered his caravan when it was being towed or touring. I've no reason to believe his claim wouldn't have been settled by Insurer A. Although I will consider any comments on this from Atlanta. But I currently intend to find Atlanta has caused him a loss – the decline of his claim for damage to his caravan. So I will require it to take steps to put things right for Mr M.*

*Atlanta will need to cover the cost of repair of the June 2024 incident related damage. Mr M hasn't had the caravan repaired yet. I request he provides an estimate for relevant repairs in response to this provisional decision. I will then, having shared the estimate with Atlanta and considered any response it wishes to make, direct Atlanta what to pay to settle Mr M's likely cost for repair.*

*As Mr M would have paid more for Insurer A's policy Atlanta can deduct the difference from the settlement. It can also deduct any applicable claim policy excess Mr M would have paid Insurer A.*

*Mr M said repairers have requested a fee for an estimate. Hopefully he can find a repairer willing to give a costing without charge. But if he is charged, I will require Atlanta to reimburse him the cost. That's because it's responsible for him being in this position, so he shouldn't unfairly incur costs.*

*I also intend to require Atlanta to pay Mr M some compensation. I assume he's been able to use the caravan, despite the unrepaired damage. So, there's been no loss of use, instead just loss of enjoyment resulting from the caravan's unrepaired condition. If I'm mistaken here, Mr M can correct me.*

*Atlanta's also responsible for unnecessary distress and inconvenience alongside the loss of enjoyment. I can appreciate Mr M's frustration with having his claim declined. He's also been inconvenienced by the requirement to pursue this complaint in order to cover the damage to the caravan, rather than have it settled through the insurance policy he took out for that purpose. I consider £300 to be a fair amount of compensation in the circumstances.*

In response to the provisional decision Mr M provided an estimate for the repair of the incident related damage and evidence of the cost a replacement caravan cover. The estimates seem to reflect the damage. I explained to Mr M and Atlanta that I intended to require it to pay him the estimated repair cost, £9,674, plus £450 for a cover.

I also explained I intended to require simple interest, at 8%, be applied to the settlement - from a date 28 days after Mr M accepts a final decision to the date Atlanta pays him the amount awarded. I sent the estimate and photos to Atlanta for its consideration. I said I would, of course, consider any comments or evidence it provided in response.

### **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.

Atlanta didn't respond to the provisional decision. Neither did it respond to the estimate or proposed award. Mr M didn't object to my intended outcome. So I've no reason to amend my main finding - that Atlanta mis-sold the insurance and should take steps to put things right for Mr M. Neither I have been provided with any reason to amend the money award I proposed.

## **My final decision**

For the reasons given above, Atlanta Insurance Intermediaries Limited is required to:

- pay Mr M £9,674 plus £450 to cover the damage to his caravan (simple interest at 8% is to be added to this from a date 28 days after Mr M accepts this final decision to the date Atlanta settles\*).
- £300 as compensation.

*\*If Atlanta considers it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.*

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 April 2025.

Daniel Martin  
**Ombudsman**