

The complaint

Mr H complains that U K Insurance Limited trading as Direct Line (UKI) won't allow him to add his son as a named driver to his car insurance policy, either temporarily or permanently.

What happened

Mr H has car insurance with UKI. The policy was originally taken out in July 2022, with Mr H's son listed as a named driver. The policy renewed in July 2023 and 2024.

During a telephone conversation with UKI in August 2024, Mr H said that having his son on the policy as a named driver each year, due to his young age, meant the annual premium was expensive. Mr H said his son rarely drove the insured vehicle and he asked UKI if he could add his son as a temporary driver when he needed to, rather than him being on the policy permanently for the whole year.

UKI confirmed Mr H's son could be added temporarily when needed, as long as it wasn't for more than 90 days per policy year. On this basis, Mr H removed his son as a permanent named driver, and UKI provided a refund of around £2,800 for the policy adjustment.

A few days later, Mr H contacted UKI to add his son temporarily for the day as he needed to use the insured vehicle. However, UKI said that due to his son's age, they wouldn't be able to add him as a temporary driver as he didn't meet their underwriting criteria. Mr H was unhappy with this as he'd been told this would be possible only a short time before, and he asked if UKI could add him back on permanently instead. But UKI said they also wouldn't be able to do that due to his son not meeting their underwriting criteria for permanent named drivers either.

Mr H raised a complaint with UKI. In response, UKI said they are entitled to decide who to offer cover to, and it's subject to their underwriting criteria so they didn't uphold that part of the complaint. However, UKI recognised some calls had been handled poorly when Mr H tried to raise a complaint and they paid £100 compensation for this.

As Mr H remained unhappy, he approached the Financial Ombudsman Service.

One of our investigators looked into things. She said that UKI was entitled to decide whether to offer a policy or not, and she thought they'd acted fairly by declining to add Mr H's son back onto the policy. However, the investigator said Mr H had been given unclear advice about this and recommended UKI pay a further £200 compensation.

UKI agreed but Mr H didn't. So, the case was passed to me for a final decision.

I was minded to reach a different outcome to our investigator, so I issued a provisional decision to give both parties an opportunity to comment on my initial findings before I reached my final decision.

What I provisionally decided – and why

In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've reached a different outcome to our investigator, so I'm issuing a provisional decision to give both parties an opportunity to comment on my initial findings before I reach my final decision.

UKI has provided their underwriting criteria in support of why they were unable to add Mr H's son as a temporary named driver. Whilst I'm unable to share this in full, as its commercially sensitive, I'm satisfied that UKI has demonstrated this is what would happen for other customers in the same circumstances. And I'd be satisfied that UKI had acted fairly, and in line with their underwriting criteria, if Mr H had tried to add his son as a new temporary named driver. However, the situation is quite different in Mr H's specific circumstances.

Instead, Mr H's son was already on his policy as a named driver and had been for several years after the policy had renewed with him on it. UKI has confirmed that the young named driver underwriting criteria doesn't apply where a policy is renewed with a named driver already on it. So, Mr H's son met UKI's underwriting criteria when the policy was renewed and UKI would have continued to cover him as a permanent named driver up until the next renewal in July 2025 (and potentially beyond this if the underwriting criteria for existing named drivers didn't change).

When Mr H asked about removing his son as a permanent named driver, and re-adding in the future temporarily, UKI said this was something that could be done, as long as it didn't exceed 90 days per policy year. And it was on the basis of this advice that Mr H then went ahead and removed his son as a permanent named driver.

However, UKI has confirmed that the underwriting criteria changed in relation to temporary named drivers in November 2023. This should have been known by the agent when Mr H spoke to UKI in August 2024. Therefore, Mr H should have been told then that his son wouldn't have been able to be added back on if he was removed. But the agent didn't advise this, and instead told Mr H that he could be, so Mr H removed his son on this basis of this incorrect and unclear advice.

I'm persuaded that had the agent told Mr H that they wouldn't be able to re-add his son as a temporary named driver, Mr H wouldn't have removed him from the policy and would have left him as a permanent named driver, which was already acceptable to UKI. After all, he did ask to re-add him permanently when UKI said he couldn't be added temporarily. If Mr H had tried to add a new driver temporarily, then I'd think UKI was acting fairly. But here, I think UKI's failures led to Mr H removing his son, which he wouldn't have done but for that incorrect advice.

So, whilst I accept UKI is entitled to make its own commercial decisions which policies to offer and who to, here I don't think they are acting fairly by refusing to add Mr H's son back on to the policy. I accept that he can't be added temporarily as he doesn't meet the criteria for that, but he was an acceptable risk for UKI when he was permanently added and would have remained so until renewal, but for the incorrect advice given by UKI.

Therefore, unless anything changes as a result of the responses to my provisional decision, I'll be directing UKI to re-add Mr H's son to his policy as a named driver until renewal in July 2025. This would be subject to Mr H repaying UKI the pro-rata premium that would have been due for the remainder of the year. And of course, at renewal in July 2025, UKI would need to consider whether Mr H's policy still met their underwriting criteria at that time and decide whether to offer renewal going forwards.

To be clear though, I'm not telling UKI how it should underwrite policies more widely (such as who it should allow to be added as a temporary driver) as that's a commercial decision for them. Instead, I'm effectively directing UKI to reinstate the cover that they were already happy to provide until renewal, which already met their underwriting criteria, which would have remained in place, but for UKI's incorrect advice.

UKI already recognised calls had been handled poorly when Mr H tried to raise a complaint and paid £100 compensation for this, and I think that was fair for that part of the service Mr H received.

Whilst our investigator didn't think UKI had acted unfairly by refusing to re-add Mr H's son (which I've provisionally reached a different outcome on as outlined above), she recommended UKI pay a further £200 for the incorrect and unclear advice Mr H was given. Having considered everything, in addition to directing UKI to re-add Mr H's son to his policy until renewal in July 2025 (subject to Mr H repaying the pro-rata premium), I'm also minded to direct UKI to pay Mr H £200 compensation (in addition to the £100 already paid) for the incorrect advice and distress and inconvenience this caused."

So I was minded to uphold the complaint and to direct UKI to:

- Re-add Mr H's son to his policy as a named driver until renewal in July 2025 (subject to Mr H paying the relevant pro-rata premium)
- Pay Mr H a further £200 compensation (in addition to the £100 already paid by UKI for other issues)

The responses to my provisional decision

Mr H responded to confirm he accepted the provisional decision.

UKI responded and said they thought the provisional decision was fair. In relation to re-adding Mr H's son, they said that it was unclear if Mr H would wish to do this, but if he did:

- UKI would only insure Mr H's son as a named driver until renewal in July 2025.
- They would only invite for renewal with Mr H's son as a named driver if he met the underwriting criteria in place at the time of the renewal.
- They wouldn't consider Mr H's son as a temporary named driver, only permanently, until renewal in July 2025.

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.

And I've thought carefully about the provisional decision I reached and the responses to it. Having done so, my final decision remains the same as my provisional decision and for the same reasons.

I note what UKI has said in response to the provisional decision as I've outlined above, but there isn't really too much I can add here, as what UKI has said in response to the provisional decision is essentially what I said in it. I.e. UKI would need to add Mr H's son as a permanent named driver (subject to payment of the appropriate premiums) until the renewal in July 2025, and at that point it would be subject to UKI's underwriting criteria at that time whether they continued to offer renewal with him as a named driver beyond then. And I also said I accepted Mr H's son doesn't meet the criteria for a temporary named driver, so he would need to be added as a permanent named driver (subject to payment of the premium by Mr H) until renewal in July 2025.

As neither party has provided anything which would lead me to reach a different conclusion, my final decision remains the same as my provisional decision, and for the same reasons.

My final decision

It's my final decision that I uphold this complaint and direct U K Insurance Limited trading as Direct Line to:

- Re-add Mr H's son to his policy as a named driver until renewal in July 2025 (subject to Mr H paying the relevant pro-rata premium)
- Pay Mr H a further £200 compensation (in addition to the £100 already paid by UKI for other issues)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 March 2025.

Callum Milne
Ombudsman