

## The complaint

Mr W is a sole trader. He complains that U K Insurance Limited trading as Direct Line (UK Insurance) delayed providing his No Claims Discount (NCD) confirmation.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In March 2022, Mr W took out a van insurance policy online. The policy was underwritten by UK Insurance. Mr W's policy renewed in March 2023. The following year, in February 2024, Mr W cancelled his insurance.

Following the cancellation of Mr W's policy, UK Insurance said there were gaps in the NCD Mr W declared at inception. They said that when Mr W took out the policy, he said he had six years NCD to use on the vehicle in question. It was on this basis UK Insurance calculated Mr W's premium. Following the inception of the policy, UK Insurance wrote to Mr W asking for proof of his NCD, they also sent a chaser, but didn't hear back from Mr W. At the 2023 renewal, the premium was calculated on seven years NCD. UK Insurance said they made an error in not reducing the NCD when they didn't receive the necessary proof from Mr W in 2022.

Mr W said, he told UK Insurance he had five years NCD when he took out the policy. Due to the discrepancy and lack of NCD proof, when Mr W cancelled his policy in February 2024, UK Insurance said they couldn't provide confirmation of his previous accrued NCD. Mr W sent the proof of his previous accrued NCD to UK Insurance in October 2024.

Mr W complained that UK Insurance's stance was unreasonable and that they should have addressed this issue at inception. He said this was impacting him financially as he had to pay a higher premium to his new insurer.

Our Investigator looked into things. He thought that while UK Insurance made an error in not pursuing Mr W for the NCD proof at inception, he was satisfied that Mr W had benefited from a reduced premium due to this error in the two years he was insured with them. He said that Mr W's premium was calculated on one additional year of NCD in both 2022 and 2023. He also noted that the NCD confirmation had now been provided by UK Insurance and so Mr W can provide the proof to his new insurer to recalculate his premiums. Overall, he was satisfied that Mr W's complaint had been resolved and UK Insurance didn't need to do anything further.

In response to our Investigator's opinion, Mr W said that while he was pleased UK Insurance had now provided him with confirmation of his NCD, he was unhappy that it wasn't in a timely manner. Mr W said this caused him significant stress and placed a substantial financial burden on him. Mr W also confirmed that his new insurer had now recalculated his premium on the basis of him providing proof of his NCD and refunded the additional amount they had charged him. But he complained that he could've taken out a policy for a lower premium from a different insurer if UK Insurance had provided his NCD confirmation sooner.

Our Investigator wasn't satisfied that Mr W had evidenced he had suffered a financial loss due to the delay in receiving the NCD confirmation from UK Insurance. He did however think Mr W had been inconvenienced due to UK Insurance not providing him with the confirmation of NCD until January 2025, even though Mr W sent the proof to them in October 2024. He recommended that UK Insurance compensate Mr W for this inconvenience and suggested a payment of £150.

UK Insurance didn't agree with our Investigator, so the matter has 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.

Having done so, I'm partially upholding this complaint. I will explain why.

Both parties have provided detailed submissions to support their position. I want to assure them I've read and carefully considered everything they've said, but I won't comment on it all.

I have been provided with a copy of the statement of fact completed by Mr W when incepting the policy with UK Insurance. I am satisfied that this says that Mr W has six years NCD to use on this vehicle. I have no reason to doubt that this is what Mr W's premium was based on. It's also not in dispute that the NCD proof wasn't provided by Mr W to UK Insurance until October 2024.

I understand that Mr W is unhappy that UK Insurance didn't resolve this issue at inception, and as a result they delayed sending his NCD confirmation following the cancellation of his policy. While I understand why Mr W required his NCD confirmation when changing insurers, from the information I have been provided, I am satisfied that UK Insurance didn't act incorrectly by not providing the confirmation to Mr W in February 2024, as they hadn't seen proof of his previous NCD.

Following the Ombudsman Service's involvement in this complaint, Mr W's proof of five years NCD was sent to UK Insurance and Mr W was provided with his NCD confirmation. Mr W presented this to his current insurer and the policy premium was recalculated and the difference reimbursed to Mr W. I consider this to be fair and reasonable.

Mr W has said that upon receiving his proof of NCD, UK Insurance didn't provide his NCD confirmation in a timely manner. He says this caused him significant stress and he also suffered a financial loss as a result of UK Insurance's delay.

Mr W said that although his current insurer recalculated his premium based on the NCD confirmation from UK Insurance, and refunded the additional premium charged, he has suffered a financial loss. Mr W said he had quotes from another insurer offering a cheaper policy, and so even with the refund from his current insurer, the price he paid is still considerably more than what he could've got. In support of this, Mr W provided a screen shot which stated the price of another quote. I have reviewed this information, but I'm not satisfied that I have seen evidence of the level of cover being provided by this insurer, or what information the quote was based on. So, I can't be satisfied that this is a like for like policy to Mr W's current insurance policy. I am also unsure why Mr W didn't take out the policy with the lower premium if it had been available to him.

Overall, I'm not persuaded that I have seen any evidence which shows me that Mr W

suffered a loss as a result of the delay in retrieving his NCD confirmation from UK Insurance, beyond what's already been refunded by his current insurer. I therefore don't consider that UK Insurance need to do anything further in relation to this.

However, I do note that Mr W sent proof of his previous NCD to UK Insurance in October 2024, but UK Insurance didn't provide confirmation of his up-to-date NCD until January 2025. UK Insurance hasn't demonstrated why there was a delay of almost three months in confirming his NCD. I consider that this would have caused Mr W stress and inconvenience, and so UK Insurance should pay Mr W £150 compensation.

### **Putting things right**

Having considered how long it took UK Insurance to provide Mr W with his NCD confirmation, and the stress and inconvenience caused as a result of their delay, I consider it fair and reasonable for UK Insurance to pay Mr W £150 compensation.

### **My final decision**

My final decision is that I uphold this complaint and U K Insurance Limited trading as Direct Line should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 April 2025.

Ankita Patel  
**Ombudsman**