

The complaint

Mr C complains Saga Services Limited (Saga) recorded incorrect information about a claim he made under his motor insurance policy. He also complains about the renewal price he was offered, and the impact the incorrect information has had on his claim.

What happened

The details of this complaint will be well known to both parties and so I've summarised events. In March 2024 Mr C's vehicle was hit by a third party whilst parked in a car park. Mr C reported the incident to Saga and the claim was passed to Mr C's insurer to deal with. On 11 May 2024 Saga sent Mr C his renewal notice, however the description of the claim from March 2024 was incorrect. Mr C raised a complaint with Saga. He was unhappy the claim circumstances were incorrect, and unhappy with the increase in the premium he was being offered. He later said the confirmation of the cancellation of the policy and the proof of no claims discount he was sent had the incorrect information about the claim.

On 11 July 2024 Saga issued Mr C with a final response to his complaint. It acknowledged the incorrect claim description was included on the renewal documents sent to Mr C. It said its agent had amended the cancellation letter and proof of no claims discount and had sent this to Mr C. It said it stood by the premium quote Mr C was provided. It paid Mr C £25 compensation to apologise for its error. Mr C didn't think this was reasonable and so referred his complaint to this Service.

Our investigator looked into things. He said he thought the claim description was incorrect on the documents Mr C was issued, but the status of the claim was listed as non-fault. He said he thought the incorrect description of the claim caused Mr C distress, but it hadn't unfairly impacted Mr C. He said he thought Saga weren't responsible for the majority of the increase in Mr C's renewal premium, and had applied any increases fairly. He thought the £25 compensation Saga had paid was reasonable to acknowledge the distress caused to Mr C.

Mr C didn't agree with our investigator. He provided a detailed response but in summary he said:

- He hadn't received the updated documents with the correct claim description Saga said it had sent to him.
- The premium increase was unreasonable, and he believes this was due to the incorrect details of the claim being recorded.
- He believed an unknown third party had spoken with Saga and submitted a counter claim holding him at fault for the accident. He said he thought this was why the information on his renewal documentation was incorrect.
- He believed this was why his insurer were having difficulties recovering its claim costs from the third-party insurer.

I issued a provisional decision on this complaint and I said:

'I want to acknowledge I've summarised Mr C's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead, I've focussed

on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr C and Saga I've read and considered everything that's been provided. I've addressed the key points separately.

Incorrect claim description

I can see from the renewal documentation Mr C was sent in May 2024, the status of the claim from March 2024 is listed as, 'Non fault'. However the description of the claim incorrectly reads, 'Hit parked third party or immobile property'.

On 27 May 2024 Mr C spoke with Saga as he didn't want to renew his policy and wanted the details of the claim to be corrected. Saga sent Mr C a confirmation the policy had been cancelled, and his proof of no claims discount. However, it hadn't updated the description of the claim meaning the documents still contained incorrect information. The handler updated the claim description and issued Mr C with further confirmation of cancellation of the policy and proof of his no claims discount, both of which included the correct description of the accident. Mr C has said he didn't receive a copy of the correct proof of no claims discount, however based on the screenshots Saga have provided of its system, I'm satisfied this was sent. Saga should look to re-send this to Mr C if he requests it to do so.

Saga have acknowledged the description of the claim was incorrect and have paid £25 compensation. Therefore, I've considered whether this is reasonable to acknowledge the impact to Mr C.

I think it would have caused Mr C some distress to receive his renewal documentation with the incorrect description of the claim. And I don't think it's reasonable Saga took around two weeks to correct this and confirm to Mr C it had done so. In addition Mr C has had to spend time speaking with Saga to have this information corrected which has caused him unnecessary inconvenience. Saga also sent Mr C further documentation on 27 May 2024 with the incorrect claim description before correcting this, which would have caused Mr C further distress.

Mr C has said he believes the renewal price he was offered was impacted due to the way Saga recorded the description of the accident. However, the insurer who would have provided Mr C with the policy had he chosen to renew it have confirmed it considered the claim from March 2024 as a non-fault claim when it calculated the premium it offered. Therefore, I'm persuaded the way Saga recorded the description of the claim didn't impact the renewal price Mr C was offered. I'll talk more about the renewal price Mr C was offered later in this decision. I also acknowledge Mr C has been caused some worry as he had understandable concerns the renewal price he was offered may have been based on incorrect information about his claim. I've taken this into consideration when deciding reasonable compensation.

Mr C has said he believes an unknown third-party has contacted Saga to make a counter-claim against him and this is why the claim circumstances have been updated. He believes this in turn has impacted his insurer's ability to recover its cost from the third-party insurer. Saga have confirmed it hasn't had any contact from a third-party regarding the claim. Based on the evidence provided, I'm not persuaded the incorrect claim description is anything more than a system or handler error. There is no evidence a third-party has contacted Saga about the claim and so I don't think Saga's error has impacted the outcome of Mr C's claim.

Renewal Premium

Mr C was unhappy with the renewal premium he was offered in May 2024. The premium Mr C was quoted to renew his policy increased from around £615 the previous year to around £1,400.

The premium Mr C was quoted to renew his policy was made up of the premium charged by the insurer of the policy and the costs applied by Saga. The majority of the premium Mr C was quoted to renew his policy was set by the insurer, and not by Saga, and so I can't hold Saga responsible for this. What I've considered is whether Saga has fairly applied any costs it applied to the premium, and whether it offered Mr C the most cost effective policy for his needs. Mr C can look to raise a separate complaint about the premium set by the insurer if he wishes.

Saga have said its system selects the lowest priced premium from its panel of insurers and this premium is taken forward to provide a quotation for renewal. It has provided evidence of the premium set by the insurer, and its own costs it has applied. This information is commercially sensitive and so it can't be shared with Mr C, however I want to assure him I've considered it carefully.

I'm persuaded the costs Saga is responsible for have been applied fairly, and are in line with what any consumer in Mr C's position would have been charged. In addition Mr C was sent the notice of renewal within good time and it set out the premium payable clearly. It also made clear that Mr C may be able to find insurance cover at a better price if he shopped around which he subsequently did. Therefore, based on the evidence provided I'm satisfied Saga have treated Mr C fairly when it offered Mr C the renewal quote it has done.

Putting things right

I don't think the £25 compensation Saga have paid is reasonable to acknowledge the distress and inconvenience Mr C has been caused due to its errors. I think compensation of this amount would have been reasonable had Saga quickly corrected its mistake. However Mr C was sent further incorrect documentation, contacted Saga on a number of occasions and had to wait two weeks before the error was corrected. Taking into consideration the distress and inconvenience caused to Mr C, I think £100 compensation is more reasonable in the circumstances.'

Saga accepted my provisional decision but Mr C rejected it. He provided a detailed response but in summary he said:

- The change in incident description wasn't due to a system or handler error but was due to a counter-claim being made against him.
- Saga's handler changed the incident description from '*Hit parked third party or immobile property*' when trying to convince Mr C to renew his policy, but changed the incident description back once Mr C hadn't agreed to renew.
- The premium he was quoted at renewal was based on the incorrect information about the claim circumstances.
- Saga should reimburse him the additional premium he has paid, and remove all of his information from its systems.
- He hasn't received the corrected document from Saga showing the date of cancellation and the correct incident description.

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 haven't reached a different outcome to the one I reached previously and I will explain why.

Mr C has said the third party involved in the accident has contacted Saga and submitted a counter-claim against him which is why the incident description was changed to say he hit the third party. Based on the evidence provided I'm not persuaded this is the case. There is no evidence the third party has contacted Saga about the claim. Mr C has provided his communication with representatives of the third party who have also denied submitting a counter-claim against him. Whilst I know Mr C feels strongly Saga have been contacted by a third party, I've not seen persuasive evidence this has occurred. Instead, I'm satisfied the incorrect incident description is due to a system or handler error.

Mr C has said when he spoke to Saga at the end of May 2024 the handler sent him renewal documents with the correct incident description for the claim from March 2024. However he later received documentation from Saga with the incorrect incident description. He said he thinks Saga were willing to change the incident description if he agreed to renew his policy, but once he cancelled it, it changed the incident description back. He's said he hasn't received any further documents confirming the correct incident description.

Based on the evidence provided I'm not persuaded this is what has happened. As explained previously, on 27 May 2024 Saga sent an email to Mr C confirming his policy had been cancelled and sent proof of his no claims by post. However, it hadn't updated the incident description before it sent these documents, meaning they included the incorrect incident circumstances. That same morning Saga updated the incident description and resent these documents to Mr C, this time both by email. It also sent him updated policy documents for his existing policy which showed the correct incident description. This wasn't a renewal document as Mr C has suggested, which is why the period of insurance shows as, *'27 May 2024 to 2 June 2024'* and only included details of his existing policy.

Mr C later received his proof of no claims in the post, which included the incorrect incident description. This wasn't because the incident description had been changed back, but because this document had been sent by post whereas all the other documents were sent by email. Therefore, I'm not persuaded Saga had changed the incident description back, nor were only willing to change the incident description if Mr C agreed to renew his policy with it.

Mr C has said the renewal price he was offered was incorrect because it was based on the incorrect details of the incident from March 2024. As explained, the insurer who would have insured Mr C had he chosen to renew his policy has confirmed it considered the claim from March 2024 as non-fault when it calculated Mr C's premium. Therefore, I'm satisfied the price Mr C was quoted wasn't impacted by the incorrect incident description. For the reasons I've explained previously I'm satisfied Saga have treated Mr C fairly when it offered Mr C the renewal quote it has done and so I don't require it to reimburse Mr C any premium.

As explained, the majority of the renewal price Mr C was offered was set by the insurer of the policy and not Saga. I can't hold Saga responsible for the premium set by the insurer and so won't be commenting on this as part of this decision. Mr C can look to raise a complaint about the insurer separately if he wishes to do so.

Mr C has said Saga should remove all of his information from its systems. This is a request Mr C would need to make directly with Saga and so I won't be commenting on this as part of this decision.

I know Mr C feels strongly he has been let down by Saga, and I acknowledge he has been caused distress and inconvenience due to the errors I hold Saga responsible for. For the reasons I've explained, I think £100 compensation is reasonable to acknowledge this and so won't be increasing this award.

My final decision

For the reasons I've outlined above I uphold Mr C's complaint about Saga Services Limited. I require it to pay Mr C a total of £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 June 2025.

Andrew Clarke
Ombudsman