

The complaint

Mr B complains Got You Covered Limited (GYCL) mis-sold him third-party only motor insurance cover.

What happened

Following the theft of his car Mr B made a claim on his motor insurance policy. The claim was declined because his policy was only for third-party only cover.

Mr B said the policy terms weren't explained to him at the point of sale and therefore feels the policy was mis-sold to him by GYCL.

GYCL said Mr B was not pressured in to buying the policy and he was given every opportunity to raise any question or clarifications he was unsure about.

Because Mr B was not happy with GYCL, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said Mr B thought he had bought third-party fire and theft cover, which given the value of the car he was buying, was reasonable, because the sales call didn't differentiate between third-party only cover and third-party fire and theft cover. They said GYCL should pay Mr B the market value of his car.

As GYCL is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

Mr B searched for motor insurance cover through an online price comparison website. He was referred to GYCL who provided a quote for comprehensive cover of which he accepted.

After validating the information provided by Mr B, GYCL rang him and explained that the quote he'd been given had been withdrawn by the insurer. It said this was due to a number of reasons including the value of the car, the location of where it would be kept overnight and his motoring record. GYCL said it had managed to obtain quotes from a different insurer.

I listened to the content of the call made by GYCL to Mr B after he requested comprehensive motor insurance cover.

GYCL's adviser told him it was able to offer a policy from another insurer. The adviser asked Mr B if it was the cheapest quote he was looking for or a specific level of cover. He responded *the same level*. The adviser responded and said GYCL could offer comprehensive terms but there was also a much cheaper alternative for a different level of cover, and the price difference was significant. The adviser gave the cost of premiums for

comprehensive cover, which was almost double the initial quote, and then said there was a much cheaper alternative offer of third-party cover. Mr B asked for the terms and conditions of that policy and GYCL's agent gave the cost for this cover which was similar to the original quote for comprehensive cover.

At this point Mr B asked what is different with third-party cover and what is the risk? The agent said third-party was the same as comprehensive and he would be insured to drive on the roads, but the key difference was if it was a fault claim he would need to pay for the damage to his own car himself. Mr B asked about third-parties and he was reassured third-parties would be covered. It was clear Mr B understood if it was a fault claim he would be liable to pay his own costs.

Throughout the call GYCL's adviser referred to third-party cover. It was never said if this was third-party only or third-party fire and theft. No differentiation was provided. In addition to no cover for theft being the key difference between third-party only and third-party, fire and theft cover, no cover for theft is also a key difference from fully comprehensive cover. Because theft is a key exclusion and significant term of the policy GYCL should have explained this during the sales call when Mr B asked what the difference was with the third-party quote.

Considering Mr B had originally looked to obtain fully comprehensive cover I think it was reasonable he would want to cover the cost of his own car in the event of it being stolen. I recognise Mr B was not pressured in to buying the policy, however I am not persuaded GYCL was clear enough in the sales call that third-party cover was third-party *only* and it was not mentioned that in the event of the theft there was no cover included.

I recognise the policy documents sent to Mr B after the sales call did show the cover was third-party only, however this doesn't replace GYCL's responsibilities to explain the key and significant terms before the policy started.

Therefore, I uphold Mr B's complaint and require GYCL to pay Mr B the market value of his car at the date of loss, less any applicable excesses. The difference between the cost of third-party only and fully comprehensive policy annual premiums should also be deducted.

My final decision

For the reasons I have given I uphold this complaint.

I require Got You Covered Limited to pay Mr B the market value of his car at the date of loss less any applicable excesses. The difference in cost between third-party only and fully comprehensive policy premiums should also be deducted from the settlement. It should add 8% simple interest to the amount due from the date of loss until the date the settlement is paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 2 July 2025.

Sally-Ann Harding
Ombudsman