

The complaint

Mr M complains that the no claims discount protection offered when he took out his motor insurance policy through Somerset Bridge Insurance Services Limited trading as Vavista (SBISL) was mis-sold.

What happened

In June 2023 Mr M used an online comparison website to find a motor insurance policy. Mr M selected to take out a motor insurance policy through SBISL with the policy being underwritten by a company who I shall refer to as W.

The policy was valid for the period of June 2023 - June 2024. When taking out his motor insurance policy Mr M chose to include a no claims discount protection which was offered at the cost of £0.00.

In July 2024 after Mr M's motor insurance policy lapsed, he was contacted by SBISL. SBISL said it had identified an error with its systems which meant it had communicated to Mr M at the inception of his policy an incorrect cost for protecting his no claims bonus. Mr M had been told there would be no charge for protecting his no claims bonus, but he'd actually been charged £59.12. The £59.12 for the no claims discount protection wasn't itemised and instead was included in the overall price of Mr M's policy premium, which Mr M was unaware of.

SBISL apologised for its error. It said if Mr M had known about the cost of the no claims bonus protection and would've chosen not to protect it, SBISL would refund to Mr M the £59.12 he'd been charged. Mr M therefore contacted SBISL and asked for a refund.

Mr M remained unhappy. He was concerned if he'd also been charged incorrectly for another optional extra (legal expenses) he'd added to his policy. And he also wanted to be compensated further for SBISL'S actions. Mr M therefore raised a complaint with SBISL.

SBISL upheld Mr M's complaint. It said Mr M had been charged correctly for the optional extra of legal expenses as he wished for this to be verified. SBISL had raised a refund to Mr M of £59.12 relating to the charges he'd incurred for protecting his no claims bonus. Additionally SBISL offered Mr M £50 compensation in recognition of the system error.

Mr M remained dissatisfied and brought his complaint to this Service.

Our Investigator considered matters. She said as Mr M had said if he'd known the no claims discount protection cost was so high he wouldn't have accepted this, she agreed it was fair for SBISL to refund Mr M the cost he'd incurred. She noted SBISL had apologised and offered £50 compensation to Mr M which she said was consistent with our Services' award framework and takes into consideration the level of inconvenience caused.

As to Mr M being refunded for the premiums he'd paid, our Investigator said as Mr M had benefitted from the premiums he'd paid by having valid motor insurance, it wouldn't be reasonable to ask SBISL to refund this.

Our Investigator therefore thought SBISL's offer was fair and reasonable and she didn't ask SBISL to do anything more to put things right.

Mr M disagreed, so his complaint 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.

Mis-sold No Claims Discount Protection and Other Concerns

I understand Mr M feels strongly that SBISL mis-sold him his no claims discount protection when it failed to advise at the inception of his motor insurance policy that there would be a charge for this of £59.12. This in turn made Mr M question if he'd been charged correctly by SBISL in respect of another optional extra (legal expenses) he'd taken out at the time of inception of his policy.

Mr M says if he'd provided incorrect information to SBISL at the inception of his policy there would be significant consequences for him. But he feels that this isn't the same for SBISL and it should face greater consequences.

From what Mr M has said I understand he feels there is disparity between himself and SBISL. But I think it's important to explain that as a Service our awards are designed to compensate Consumers, not punish organisations. We look at the impact any mistakes have had on the consumer concerned. Whilst Mr M is correct that if a consumer misrepresents information to their insurer there can be consequences, this isn't the basis for Mr M's complaint. Therefore in line with our role as an informal service, I'll comment on what I consider key to the dispute.

From the available evidence I've seen that the key facts about this complaint aren't in dispute. At the time of taking out his motor insurance policy Mr M chose to take out a no claims discount protection. And I've seen contained within the No Claims Discount Protection Information that it says this would increase Mr M's premium by £0.00.

SBISL has admitted due to a system error it didn't advise Mr M at the time of taking out his policy that there would be a charge for protecting his no claims bonus at a cost of £59.12. SBISL proactively contacted Mr M to advise of its systems error and to apologise for this.

Following Mr M's concerns as to whether he'd been charged incorrectly for his legal expenses, SBISL has said to Mr M he'd been charged correctly as he wished for this to be verified. I've seen from Mr M's Welcome Letter that the cost of the legal expenses insurance is itemised separately as £29.99. I haven't seen and Mr M hasn't provided anything to show that SBISL's findings were incorrect. I appreciate that whilst due to a system error the cost of Mr M's no claims discount protection was advised to him incorrectly, it doesn't however follow that Mr M's other optional errors were also incorrect, although I do appreciate Mr M's concerns in this respect.

The only thing I therefore need to decide is whether what SBISL has done to put things right, including the compensation it's offered, is fair and reasonable. I'll now go on to consider this.

Refunds and Compensation

I've seen from the available evidence SBISL proactively contacted Mr M in July 2024 to advise of its system error. It apologised and offered to reimburse Mr M for the charges he'd incurred of £59.12, which Mr M accepted. I understand from the available evidence that SBISL has refunded £59.12 to Mr M.

SBISL also addressed Mr M's concerns regarding his legal expenses and confirmed he'd been charged correctly. As I've said above, I haven't seen and Mr M hasn't provided anything to show that SBISL's findings were incorrect and therefore I don't find SBISL need to do anything further in this respect.

SBISL has also offered £50 compensation to Mr M for the distress and inconvenience he'd experienced because of the system error.

I understand Mr M has previously said he wants SBISL to refund his premium. But Mr M did have the benefit of the policy for the period of June 2023 – June 2024. So, I don't find it would be fair or reasonable to ask SBISL to do this. And I note from the available evidence Mr M has now said he is simply seeking a higher level of compensation from SBISL.'

Taking everything into account I find the action taken by SBISL to remedy its error and its offer of £50 to compensate Mr M for any distress and inconvenience to be fair and reasonable in the circumstances. I appreciate Mr M will be disappointed given his strength of feeling.

Putting things right

Somerset Bridge Insurance Services Limited trading as Vavista should do the following to put things right;-

- Pay compensation to Mr M of £50 in total for distress and inconvenience if it hasn't done so already.

My final decision

My final decision is that Somerset Bridge Insurance Services Limited trading as Vavista should put things right as set out above.

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

Lorna Ball
Ombudsman