DRN-5659320

The complaint

Mr and Mrs B have complained about Acromas Insurance Company Limited. Their complaint stems from renewal in 2024 when the premium for cover increased and they noted a claim was recorded against their cover – they'd notified Acromas of an incident in 2022 but had specifically not made a claim.

The policy Mr and Mrs B have is a branded one, and it is the branded insurer which Mr and Mrs B have dealt with. The branded insurer acts as the agent of Acromas in respect of claim and pricing issues. As such this complaint is set up against Acromas and the branded insurer won't be referenced directly or named.

What happened

In 2022 a neighbour of Mr and Mrs B informed them she had connected with their car when reversing hers, but she wasn't sure if there was any damage. Mr B notified Acromas. Later, once the car had been inspected, Mr B told Acromas there wasn't any claim to be made and asked the incident was recorded as notification only. In October 2022 Mr B was assured that it was.

At the time of that incident, Mr and Mrs B's policy was subject to a fixed term price guarantee. That period came to an end in 2024, with 2024's renewal being subject to up-to-date pricing. The premium increased from £238 to £630 (I'll refer to that initially renewing policy at the sum of £630 as 'policy A'). Mr and Mrs B also noticed that the renewal documents included reference to the 'claim' in 2022. They called Acromas and were offered an alternative policy (I'll refer to as 'policy B') – with the same branding but a different level of cover and a lower price – based on there not having been a claim. It was later noted by Acromas that the 'claim' had remained open since 2022 –it had been left open pending contact from Mr and Mrs B to advise if they wished to continue with it. But, with Mr and Mrs B confirming the situation in 2024, the alternative policy was offered.

Mr and Mrs B remained unhappy – they didn't think that being offered policy B answered their concerns about the price of policy A. In final response letters (FRLs) issued in April and August 2024, Acromas confirmed the policy had been priced correctly. This still didn't satisfy Mr and Mrs B though – not least because it didn't explain the claim record or show this was being corrected. They referred their complaint to the Financial Ombudsman Service.

In the meantime, Mr and Mrs B also completed a Data Subject Access Request with the Motor Insurer's Bureau (MIB). They wanted to know what information was held centrally about the 'claim' which insurers would be able to see. MIB shared the claim record with Mr and Mrs B – most notably that a claim had been made and settled, with Mr and Mrs B's no claims discount being disallowed. Over several months of correspondence with MIB, with MIB contacting Acromas directly, amendments to the claim record were made. In December 2024, Mr and Mrs B were told by MIB that the record had been entirely removed (rather than amended to notification only).

Our Investigator contacted Acromas to ask it for details about how the premium for policy A had been calculated. Detail returned by Acromas explained that the policy Mr and Mrs B had

agreed to and taken out (policy B) had been priced correctly, and the 'claim' from 2022 had not been taken into account.

Having considered matters, our Investigator wasn't persuaded by what Acromas had said. She felt it was most likely that the premium for policy A had been affected. She felt Acromas had failed Mr and Mrs B and they'd been caused distress and inconvenience as a result. She said Acromas should pay £250 compensation.

Acromas said it accepted the findings. Mr and Mrs B said they did not. They said the recommended level of compensation was inappropriate. Noting some details from our website they said their upset had "most probably" been substantial and "possibly" severe, warranting compensation of £500 to £5,000.

Following our Investigator's view (but prior to it accepting that), Acromas reassessed the premium for policy A. It calculated the premium with 'no claim' being taken into account. This generated a lower premium (£526.42) to that offered at renewal in 2024 (when the 'claim' was taken into account – £630.75).

The complaint was referred to me for an Ombudsman's decision. Having reviewed it I was satisfied that Acromas had failed Mr and Mrs B in this instance, and that they'd suffered distress and inconvenience as a result. I felt it should pay £1,500 compensation to make up for that upset caused. So I issued a provisional decision to share my views with both parties.

My provisional findings were:

"I'll explain at this point, that my findings below will be relatively brief. That is in-keeping with the informal nature of our service. I can assure both parties that I have read and understood everything.

I've been mindful, when assessing this complaint that the branded insurer can sometimes act as Mr and Mrs B's agent, rather than as an agent of Acromas. From what I've seen I think that everything the branded insurer did here regarding the claim was as Acromas' agent. Acromas is free to state otherwise if it disagrees and I'll consider that view point before making a final decision.

The error at the heart of all of this occurred in 2022. Mr and Mrs B confirmed there was no claim being made that the incident had only been notified to it as the insurer. That was acknowledged but Acromas never updated that detail. The fact of Acromas not updating that detail was noticed in 2024 when the policy, following the end of the price guarantee period, came up for renewal. The renewal documents were sent to Mr and Mrs B at the beginning of April 2024, this was when they noticed the incorrect 'claim' record and that the premium had increased. So this was the point that the failure from 2022 began to cause them upset.

The incorrect claim record was then only resolved in December 2024. Some eight months later. And, crucially, it was only resolved because Mr and Mrs B took steps to contact MIB directly, with MIB then contacting Acromas. This activity occurred over the period of several months and it was only as a result of Mr and Mrs B continually pursuing the issue that it was eventually resolved. I don't doubt that achieving that came at a cost to Mr and Mrs B in terms of many hours of time spent and effort put in to considering replies from MIB and drafting further responses.

I have to acknowledge here that most of this period of activity with MIB came after Acromas' FRLs. But I think it is a relevant period for my considerations because it reflects continued

distress and inconvenience caused to Mr and Mrs B by its initial error which resulted in their complaints and, in turn, resulted in Acromas' FRLs.

On the point of those FRLs, neither of them really addressed the issues at the heart of Mr and Mrs B's complaint – the incorrect claim record and the impact this had on the premium for policy A. I think, at best, Acromas' replies were generalised and vague. I can understand why Mr and Mrs B began trying to get some impartial and accurate detail from MIB. The fact of the premium being impacted by the claim record was only admitted by Acromas, in April 2025, during the course of our complaint.

So I'm satisfied that the error in 2022, caused Mr and Mrs B upset starting in April 2024. Upset which Acromas then failed to deal with effectively, such that it continued until their efforts resulted in MIB achieving a resolution for the claim record in December 2024.

I've said above that I intend to require Acromas to pay £1,500 compensation for the upset it has caused. It may think that is a high sum given the relatively short period I've found its failures caused upset over. For context, compensation at this level is sometimes awarded where upset has been caused over a period of a year. However, it is also a level we will award in respect of 'shorter' periods of upset where the impact has been substantial. I'm satisfied that is the case here.

As Acromas is aware, both Mr and Mrs B have certain health issues, and I trust they won't mind me saying they are 'vulnerable' complainants. As our decisions are published I won't say much here about the specifics of the above, but corresponding is difficult for both Mr and Mrs B for differing reasons, and it is clear to me that dealing with Acromas on this issue has been particularly difficult for Mr B. For example, I'm aware that, at times, to safeguard his own health, Mr B has had to pause corresponding with Acromas. I think all of that could have been avoided if Acromas had considered this fairly from the point of renewal in 2024.

I know Mr and Mrs B would like me to require Acromas to offer an apology to them. It is within my power to require an insurer to apologise. But that is the type of award we often utilise when a relatively small failure occurs, where the upset caused is not nearly as significant as that which happened here. I might also require an insurer to offer an apology where it is clear to me, from the claim and/or complaint correspondence that the insurer accepts it did something wrong which caused upset to its policyholder. Without that kind of acceptance, any required apology is nothing more than a meaningless gesture. In the circumstances here, I don't intend to require Acromas to apologise to Mr and Mrs B."

Acromas said it accepted my provisional decision. Mr and Mrs B said they were pleased by the outcome. But they asked for a few final points to be taken into account, and that I revise my decision regarding Acromas providing an apology. They said an apology would help bring them closure.

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.

I know Mr and Mrs B regard the branded insurer as being the business which caused them upset. But the actions of that branded insurer, in terms of the complaint points being considered, were undertaken by it on behalf of Acromas. So my decision about the upset those actions caused must be recorded against and refer to Acromas.

Mr and Mrs B have asked that a formal finding of maladministration is made, or an

explanation given as to why such is not appropriate. I said provisionally that Acromas failed Mr and Mrs B in its actions in handling their policy. I stand by that finding. But I wouldn't label that failure with a specific term, such as maladministration. That's because the informal nature of our Service does not require such a categorisation to be made.

Regarding the apology, I said provisionally that I likely wouldn't require an apology where such would amount to no more than a meaningless gesture. Upon review, and having thought about the effect of all of this, particularly on Mr B, I do find it appropriate to require Acromas to provide an apology. I can see from Mr and Mrs B's point of view that an apology would offer them closure on a matter which has caused them distress and inconvenience – so, for them, an apology would be meaningful. I'm satisfied its reasonable for me to require Acromas to provide a written apology.

Having reviewed the parties' response to my provisional decision, my views on the complaint and its fair and reasonable outcome, remain largely as those stated provisionally. As such, my provisional findings, along with my comments above, are now the findings of this, my final decision.

My final decision

For the reasons set out above, I uphold this complaint. I require Acromas Insurance Company Limited to pay Mr and Mrs B £1,500 compensation and provide a letter of apology for the upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 30 July 2025.

Fiona Robinson
Ombudsman