DRN-5677420

The complaint

Miss Y is complaining Itc Compliance Limited ('Itc') mis-sold her a Guaranteed Asset Protection ('GAP') insurance policy.

What happened

In October 2023 Miss Y bought a GAP insurance policy after buying a car. In August 2024 she complained the policy was mis-sold. She says she was pressured into buying the policy and wasn't given anything about the policy until around six months later. Itc didn't uphold this complaint as it says the policy documents it provided explained what the policy provided.

Our Investigator didn't uphold this complaint. He said Itc completed a demands and needs statement gathering Miss Y's information when selling the policy. And he said it's shown it sent the details in the post to Miss Y the same day. He acknowledged Miss Y says she didn't receive this, but he said he couldn't hold Itc responsible for them not arriving, given he's satisfied it sent them. And he said he hadn't seen anything to show Itc had pressured Miss Y into buying the insurance policy.

Miss Y didn't agree with the Investigator so the complaint's 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.

I've decided to not uphold this complaint and I'll now explain why.

Miss Y has said she was pressured into buying the GAP insurance policy and wasn't provided enough information to make an informed choice. However, I don't think I've seen enough to support this.

I understand Miss Y bought the GAP insurance policy around a month after she bought the car. At the time, Itc carried out a demands and needs fact find which it's provided this Service. Following this, Itc identified that Miss Y could find use for GAP insurance but also a Smart Repair cover policy. However, Miss Y only opted to take out GAP insurance. I recognise Miss Y says she felt pressure into buying the policy. I don't dispute the salesman may have used sales techniques to sell the policy, but that's not unreasonable. Given she chose to not buy one of the policies, I can't reasonably say she didn't know she had a choice to buy the policies or that she was pressured into buying them.

I don't know what was discussed at the time of sale and neither party has provided any material testimony on this. But I think it's more likely than not that Itc did explain the features of the policies. And, as I said, Miss Y did choose to not buy one of the policies. And I think it's likely she would have made this choice after learning what the policy covered. So, on balance, I think she did understand what the policies provided.

Miss Y took out a policy called "return to invoice" GAP. Under these terms, the insurer will pay the difference between the amount she paid to buy the car and the car's market value if the car is a total loss or stolen within three years – i.e. it will mean they will have the opportunity to pay the same amount for a car, irrespective of any level of depreciation in the car's value. So I think it's most likely she decided at the time that she could have found the policy useful.

Miss Y has said Itc didn't provide any documentation on the policy. But it's provided copies of its internal records which shows it printed the demands and needs and policy documents – including the policy information document – which set out what the policy provided. Given they were printed, I see no reason why they wouldn't have been sent. So, on balance, I'm satisfied Itc sent these to Miss Y. I can't hold it responsible if they didn't arrive.

Miss Y has also complained that she couldn't cancel the insurance policy. But the complaint she raised with Itc was that it mis-sold the policy. So that's all I'm able to consider in this decision. And she'll need to raise this separately with Itc and/or the insurer before this Service can consider this issue.

I recognise Miss Y feels Itc treated her unfairly in the sales process. I've considered everything she's said on this, but I haven't seen anything to show it carried out the sales process in an unfair and unreasonable manner.

My final decision

For the reasons I've set out above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Y to accept or reject my decision before 19 August 2025.
Guy Mitchell
Ombudsman