

## The complaint

Mr C complains about the advice BISL Limited gave him following a claim on his motor insurance.

## What happened

Mr C's car was written off following an accident in February 2025. Mr C said his insurer accepted and settled the claim "*fairly quickly*", and he was happy with this.

However, before the claim had been paid he asked the insurance intermediary, BISL, if he could insure himself and his wife (a named driver on his policy) on a relative's car. He asked this via BISL's webchat function. The adviser told him he could do this under the policy's '*Driving other cars extension*' (DOCE) cover.

Mr C wanted a second opinion. He'd spoken to the policy underwriter before the webchat and been told he wasn't able to use this cover because his car had been written off. He was worried the advice he'd just been given was wrong. During a second webchat, a different BISL adviser correctly told him that the DOCE cover didn't apply.

Mr C complained that the first adviser had misled him. He was worried about the potential implications of that wrong advice. For example, he wouldn't have been insured if he'd driven the car and been involved in an accident. BISL agreed that he'd been misinformed. It apologised and offered him £50, later increased to £80. But it also told him it would have covered him in those circumstances.

Mr C remained unhappy and referred his complaint to this service. He doesn't believe he'd have been covered if he'd been involved in an accident. He'd like BISL to implement staff training on this issue and refund his final month's premium.

Our investigator didn't uphold the complaint. She agreed that BISL had initially given Mr C incorrect information. However, she thought its response and compensation offer was fair. Mr C asked for an ombudsman to review this, so the case was passed to me.

## 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've come to the same conclusions as our investigator and for the same reasons. In summary:

- Both parties agree that BISL's first adviser told Mr C he and his wife were covered to drive his relative's car, even when Mr C questioned this ("*Is that possible if my car has been written off? Underwriters suggested that was only possible when my current car was roadworthy?*"). The adviser told him: "*as this cover is still active, this is still available for you to use.*"

- Under the policy terms, that's wrong. Section 1 of the policy says the DOCE cover only applies if, among other things, "*you still have the car and it has not been stolen and not recovered, or damaged beyond cost effective repair.*" Mr C's car had been written off.
- BISL's second adviser confirmed this: "*If the car is written off sorry yes there would be no cover as effective [sic] you don't have a vehicle.*" The second webchat started immediately after the first ended. Neither Mr nor Mrs C had driven the car between the two webchats.
- I'm pleased that BISL acknowledged its adviser's mistake and made a small compensation award to apologise to Mr C. It also told him "*cover would've been provided due to you being incorrectly informed.*"
- I understand why Mr C is concerned by what happened. I also understand why he might question what BISL told him about being covered. However, I am satisfied that BISL would have covered him in the scenario he set out.
- I'm not entirely sure how I can prove this to him as the mistake was corrected, but I assure him that:
  1. This service has dealt with this type of situation many times.
  2. Insurers and insurance intermediaries can and do accept liability when policyholders are involved in situations where they were wrongly led to believe they were insured.
  3. This service can order an insurance intermediary to accept liability and has done so in the past.
- Mr C suggests BISL put in place staff training to cover this issue. I think that's a sensible idea but it isn't something this service has the power to order BISL to do. That's for the UK's financial regulator, the Financial Conduct Authority (FCA). Mr C should, if he wishes, raise this directly with the FCA. Our role is only to look at what happened in the circumstances of his complaint and decide if BISL acted fairly and reasonably.
- Mr C told us he cancelled his policy because he had "*no faith*" in BISL after this. He suggested BISL refund his final monthly premium.
- I don't agree with him. Page 9 of the policy documents explains that if he makes a claim during the policy year, no premium is refundable: "*If a claim has been made, or there has been an incident which may lead to a claim, no refund will be given and all premiums will be due.*" That's reasonable. His policy is a yearly contract. Mr C effectively 'used' his policy when he made a claim, so he must pay the full premium.
- In this case, Mr C's car was declared a total loss following the accident and his insurer settled the claim. I don't agree with him that the remaining period of insurance becomes "*null and void*", and I don't think it would be fair or reasonable for me to order BISL to refund any part of his premium.
- I've reviewed BISL's compensation offer. I've also considered what this service might award in similar circumstances. Having done so, I think its offer is fair.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or

reject my decision before 15 October 2025.

Simon Begley  
**Ombudsman**