

The complaint

W, a limited company, is unhappy that ITC Compliance Limited (ITC) mis-sold it a guaranteed asset protection (GAP) insurance policy ('the policy').

All reference to ITC includes the dealership from who W bought the car and who sold the policy as an appointed representative of ITC.

What happened

When buying a car from a dealership (partly funded with a hire purchase agreement), a director of W was sold the policy.

Subsequently, W made a claim on the policy. The car was involved in an accident and written off. The claim was declined by the insurer because the car was used for private hire and reward. W says its director wasn't informed of this exclusion when taking out the policy, so it was mis-sold.

W brought a complaint to the Financial Ombudsman Service.

Our investigator didn't think the policy had been mis-sold. However, he didn't think the evidence supported that W was sent the policy documents and he concluded that this would've caused some unnecessary inconvenience. He recommended ITC pay £100 compensation.

ITC disagreed so this complaint was passed to me to consider everything afresh to decide.

I issued my provisional decision in July 2025 explaining why I wasn't intending to uphold this complaint. I invited both parties to provide any further information for me to consider. Neither party replied.

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.

It's not clear whether the policy was recommended to the director of W. If it was, ITC had a regulatory obligation to ensure that the recommendation was suitable. And in any event, it had to give clear information about the key features of the policy when selling the policy.

W says its director wasn't told about the exclusion to the policy; not covering claims if the car was being used for private hire and reward. I've seen a demands and needs statement completed by ITC's representative at the time. This statement says the document was completed over the phone.

Unfortunately, ITC says there are no call recordings so I can't know for sure whether this is a true reflection of what was discussed at the time. I can also see that W's director hasn't been asked to sign and return a copy of the demands and needs. However, on the balance of probabilities, I'm persuaded that this is likely to reflect what was discussed at the time.

It reflects that the director was interested in GAP insurance and the car (and intended driver) met the eligibility criteria for the policy. It's also reflected that the director didn't intend to use the car for any purpose that could be considered outside of 'normal' private on road use. And it's reflected that he was told that examples of excluded uses may include private hire and use as a taxi. So, based on the information provided at the time by the director to ITC's representative, I'm satisfied that the exclusion relating to private hire and reward didn't make the policy unsuitable for W.

The demands and needs statement also says that the director had received the Insurance Product Information Document (IPID) showing the key features and exclusion of the policy.

Under the heading 'are there any restrictions on cover?', the IPID says the car "must not be a...taxi...licenced private hire vehicle..." I'm therefore satisfied on the balance of probabilities that the director (and thereby W) was made aware of this exclusion when taking out the policy.

The policy document also says that the car isn't eligible for cover if it's used for hire and reward. I'm satisfied from a screenshot I've seen that the policy documents were printed by ITC on 27 April 2023. I've seen a letter attaching the policy document addressed to W. I don't know for sure whether this was sent but as I'm satisfied that the policy document was printed, I've seen no reason to think that it wouldn't have also been sent around that time to W as the letter reflects. And if W hadn't received the policy document, I would've reasonably expected the director to have chased for a copy so that W was aware of the full terms.

So, overall, I'm not intending to find that the policy was mis-sold to W.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 9 September 2025.

David Curtis-Johnson
Ombudsman