

The complaint

Mr B complains that Business Insurance Solutions Limited trading as Van Compare (“Van Compare”) said he wasn’t insured when he tried to make a claim under his van insurance policy.

What happened

Mr B had a policy covering a van, arranged through Van Compare which is a broker. He bought the policy via a comparison website. His policy was online and used an app as its primary point of contact.

In late March 2025, he bought a new vehicle which is a pick-up type. He tried to add the pick-up to his existing insurance information.

The app seemed to indicate that he had insurance for the pick-up. As Mr B had an active payment method set up already for his van, he assumed payment would be taken using that.

Soon afterwards, Mr B was involved in a collision with a third party, causing damage to both his pick-up and the third-party vehicle.

He contacted Van Compare and asked to make a claim. Van Compare’s chat operator made an error and gave Mr B an incorrect policy number relating to a completely different person.

Mr B talked to the insurance company for that other person, and it told Mr B he wasn’t insured by it.

Mr B’s pick-up was recovered and he incurred costs of around £1,000 for its recovery and storage.

Van Compare told Mr B he hadn’t arranged cover for his pick-up through it. Mr B showed a screenshot from the company’s app saying that the appropriate registration number was “insured”.

He complained to Van Compare. It said it would pay him £150 compensation because of the confusion its chat operator had caused. But it said Mr B had manually added his pick-up to the app, but hadn’t bought a policy from it.

Mr B remained unhappy and brought his complaint to this service. He says he was misled by Van Compare into thinking that his pick-up was insured in the same way as his van was. Because of this, he understood he was covered. He’s had to pay out about £1,000 for the recovery and storage, £7,500 to repair his pick-up and is being pursued by the third-party insurer for about £15,000.

Our investigator looked into it and thought it would be upheld in part. He thought Van Compare had caused Mr B a short period of intense stress, and it needed to pay him additional £150 compensation. But he didn’t think Van Compare acted unfairly

Van Compare accepted the view, but Mr B didn’t.

Because he didn't agree, his complaint has been passed to me to make a decision.

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 read the file of evidence, I'm upholding this complaint in part. But it's important I say that I'm only upholding the part of Mr B's complaint about his distress Van Compare caused him.

I do appreciate this will cause Mr B significant distress, and I'll explain why I've decided this.

I've reviewed Van Compare's app, which is at the centre of Mr B's complaint. On the app, which records details of the vehicles being insured by Mr B, it's possible to add vehicles that aren't being covered through Van Compare's broking services.

The reason it says it offers this service is because customers can put details of other policies they have on its app, so that they're able to see all their vehicles and their insurance status in one glance.

Van Compare sent this service footage to show how it was possible to add a vehicle and the associated insurance policy record to its app manually. It appears to be a very simple, short process.

It also sent a video of how to add a vehicle using its quote-and-buy facility, which would mean cover for the pick-up had been actually sold by Van Compare and added to the policy on the app.

I've reviewed this footage and considered what Mr B had done. I can see that he recorded the correct vehicle registration mark (VRM) on the app for his new pick-up. Under the record of his pick-up is displayed:

"Van Policy

Don't know/other [this relates to the insurer] [the pick-up's VRM] £120.00 [monthly cost]"

To help Mr B with budgeting, this information is repeated for each month.

Under his existing van's policy, which he had already bought through Van Compare, it says:

"Van Policy

WeCompare Direct [the van's VRM] £[Van payment amount]"

I looked at how this data would have been entered into the app. I can see that the monthly amount would have been manually entered by Mr B, along with the date of the monthly payment.

I'm unsure about how he arrived at the amount of this monthly payment for the policy he thought he had for his pick-up. I've mentioned above that Mr B assumed that payment for what he thought he'd purchased would be simply added to his existing payment plan.

Van Compare showed Mr B hadn't set up the policy for the pick-up through it. It did say that, about an hour after Mr B manually added his pick-up, he started to carry out a mid-term alteration to change a vehicle over. But that process wasn't completed, and the record on

the app still showed his van was on cover, plus the manually added record of his pick-up.

The insurer/provider of this manually-entered policy was “Don’t know/other” which had been entered by Mr B. When a policy is bought from Van Compare, the appropriate details are shown there, per his van’s record.

Mr B has also commented that: *“I admit I am not very good with doing anything online this is why when I insured my original van with [Van Compare] I did this over the telephone but was unable to do that this time as it did not allow me to do so.”*

In his later responses to this service, he’s also talked about the app sending him notifications to make sure he had enough money in his bank account to pay the monthly amounts. He said he took this to mean that the payments would be being taken.

But I’ll emphasise here that it was Mr B who told Van Compare what the monthly amount was, and on which date it was due to be paid. All the app seems to have been doing was telling him the information he’d already given it – no direct debit or actual payment had been set up.

The screenshots sent from the app also show that the supposed start date of the pick-up’s apparent policy was on a date that doesn’t reconcile with the van’s cover or his date of purchase of the pick-up. So, again, there’s an indication what Mr B did something wrong when he tried to input those details into Van Compare’s app.

Having reviewed Van Compare’s app, I feel I can comment that I can understand how Mr B thought his pick-up was on cover. The appropriate screen in the app does say “insured” and there’s a tick next to it. But having looked at the process to actually add or change vehicles, against the ease with which it’s possible to manually add records of a policy bought elsewhere, I can see that Mr B would have had to entirely add the start date and price of ‘cover’, while not completing the many extra pieces of data needed by Van Compare. In other words, I don’t think Mr B took enough care to make sure he was doing the correct thing.

I can see Mr B has talked about changing a vehicle over in 2025 whilst his complaint was with this service. He’s said he wasn’t able to speak to anyone about doing this, and the process is to change his vehicles online or through the app.

I’ve thought about this, and considered Mr B’s acceptance that he’s not very good with dealing with things online. I think it’s fair I say that Mr B should, perhaps, have asked for help with the app. Or found a way to contact Van Compare via telephone so he could check what happened or carry out changes to his vehicle. Or he could have found other providers which do these over the telephone if that’s his preferred way of arranging cover. If he struggles with online services, it’s reasonably his responsibility to tell Van Compare about it.

Unfortunately for Mr B, I think he’s made an error in how he thought he set up a policy for his pick-up. As I mention above, I do appreciate the magnitude of consequences of my decision on Mr B because of the mistake I think he reasonably made, but I’m not able to say that Van Compare acted unfairly in how it handled the information Mr B input.

I think it’s important I say that Mr B tried to input the information for his pick-up, and then accessed the app again shortly afterwards. Perhaps he was distracted or unsure about what to do, but I can’t say Van Compare acted unfairly here, and I think Mr B should have taken more care and possibly contacted it to verify what he’d done.

What this means is that I’m not able to uphold this part of his complaint.

I've also considered the service Mr B had from Van Compare when he tried to make his claim. I can see that its live chat operator provided him with a policy number, and insurer, that was entirely incorrect. This led to Mr B making several calls to an outsourced claims handling company, and an insurer. Both of whom weren't able to validate Mr B's policy because, of course, Van Compare had provided him with incorrect information.

I can appreciate the impact of this mistake on Mr B. I can see from the file that this inconvenienced him because he had to make those extra calls to various companies.

Mr B has also provided an invoice for the recovery and storage of his pick-up. When he complained to Van Compare, it looked into how the recovery had been arranged. There were several companies contacted by him after the collision and I can see Van Compare asked them all if they'd recovered the pick-up. All said they hadn't. The invoice provided by Mr B is headed "*PRIVATE JOBS*". What this would seem to reasonably mean is Mr B organised the recovery of his pick-up, which was apparently undriveable after the collision.

I've listened to the calls on file and I can hear him say that the recovery was done for him, but I'm not able to definitively say who organised it.

What this means is that I'm not able to say those costs were incurred unfairly, and I'm not able to say Van Compare was at fault for them.

But what I can say is that the error it made in telling him he was insured, and giving him an incorrect policy number, has a significant but short-term impact on Mr B. Van Compare said it would pay him £150 compensation, but I don't think that's enough. I've considered this service's guidelines and I think Van Compare should increase its compensation to £300.

I do appreciate Mr B has suffered significantly more distress than this as he's been dealing with the very significant impact of not being insured, but as I say above I don't fairly think I can say Van Compare was the cause of most of it, which was following his error inputting details onto its app.

My final decision

It's my final decision that I uphold this complaint in part. I direct Business Insurance Solutions Limited trading as Van Compare to pay Mr B a further £150 compensation for his distress and inconvenience it caused by giving him the wrong information.

Van Compare must pay the compensation within 28 days of the date on which we tell it Mr B accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 January 2026.

Richard Sowden
Ombudsman