

The complaint

Mr P has complained that James Hallam Limited, an insurance intermediary, failed to automatically renew his motor insurance policy. This resulted in him being stopped by the police who issued him with a fine and added six points on his licence.

What happened

Mr P has been taking out his motor insurance policy through the same broker over a number of years. He pays by direct debit, and the policy automatically renews in December each year. Mr P's broker was taken over by James Hallam at some point before his 2024/2025 policy was due to renew. Due to an error with the data transfer between the two companies, Mr P's policy did not renew as it was meant to in December 2024.

In June 2025 Mr P was stopped by police for driving uninsured. Mr P said the police threatened to seize his vehicle but ultimately didn't as he agreed to take out temporary insurance there and then. Mr P was given six points on his licence and a £300 fine for driving uninsured.

Mr P reported the matter to James Hallam without delay. It apologised for the error and agreed the policy should have auto renewed. It placed Mr P on immediate cover and said it would meet the cost of the current years' premium and reimburse him for the fine as well as for premium increases over the next few years. Mr P said he also wanted to be compensated for the distress and inconvenience he was caused.

Mr P complained and his complaint was upheld. James Hallam repeated it would reimburse Mr P for the £300 fine, pay the cost of the years' premium which came to £460.95 and pay his premium increase over the following four years which it calculated at £62.34 per year. It also waived its administration fee of £60 for the following three years should Mr P take his insurance out through it again. It also paid £500 compensation for the distress and inconvenience it caused Mr P. The total settlement came to £1,510.31.

Unhappy with James' Hallam's response Mr P brought his complaint to our service. Mr P didn't think he was being adequately compensated for the points he received on his licence which he said bring him perilously close to a driving ban.

One of our investigators reviewed the complaint but was of the view that James Hallam's offer was fair and reasonable in the circumstances.

Mr P didn't agree and asked for an ombudsman's decision. The matter was then 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'd like to start by saying that I was very sorry to hear about the incident which Mr P understandably found very distressing.

There is no doubt that James Hallam has made an error and that this led to Mr P being stopped by the police for driving uninsured and receiving a fine and points on his licence. James Hallam has accepted responsibility for its error. So what remains is for me to decide whether the compensation offered was fair and reasonable and if not, if an increase is warranted.

James Hallam has reimbursed Mr P for the £300 fine which I think is fair and reasonable as it was incurred due to its error. The fact that Mr P now has six points on his licence is something he will likely have to declare over the next five years and something most insurers will likely rate his policy on and most likely charge him more for. So there is a direct impact from this though, as our investigator says, the impact is likely to lessen each year. In order to compensate Mr P for this, James Hallam has offered to pay for this increase in premium over the five years Mr P will have to declare the points for. It said Mr P's 2023/24 premium was £398.61. His 2024/25 premium which includes the points was £62.34 more expensive due to the points. So it agreed to pay £62.34 for the following four years. I think this is fair and reasonable bearing in mind, as I said, that the impact of the points will likely lessen over time. And this is also in line with our usual approach in these situations. In addition to this James Hallam has also offered to cover the entire years' premium for 2024/25 which came to £460.95. I think this is fair and reasonable as it means Mr P will have had one years' cover free of charge.

Mr P's main concern is that the £500 compensation doesn't reflect the distress and inconvenience he experienced. I appreciate that receiving six points on his licence — when he previously had none — was understandably upsetting and has left him feeling close to a possible driving ban. But in considering what's fair and consistent with our usual approach, I need to look at the specific impact of this incident. In this case, Mr P's car wasn't seized, and he didn't have to go through the additional stress of court proceedings. Taking this into account, together with the fact that James Hallam has already covered the full year's premium, I'm satisfied that £500 is a fair and reasonable amount for the distress and inconvenience caused and is in line with awards we make in similar circumstances.

I understand Mr P's concerns regarding the likelihood of a driving ban. If there is further impact as a result of James Hallam's actions in the future he is free to raise a further complaint with it.

I appreciate Mr P will be disappointed with my decision but for the reasons I have provided, I think the redress offered by James Hallam is, on the whole, fair and reasonable.

My final decision

For the reasons above I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 24 February 2026.

Anastasia Serdari
Ombudsman