

The complaint

Mrs J complains about AutoProtect (MBI) Ltd (“APL”) and the sale of her Guaranteed Asset Protection (“GAP”) insurance policy.

Mrs J has been represented by her son, Mr J, during the claim and complaint process. For ease of reference, I will refer to any actions taken, or complaints made, by either Mrs J or Mr J as “Mrs J” throughout the decision where appropriate, considering she was the customer of APL and so, the eligible complainant.

What happened

The sale and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, in July 2022, Mrs J purchased a GAP insurance policy that was sold on an advised basis by an agent of APL. This policy itself was underwritten by a separate insurer, who I’ll refer to as “X”.

In 2024, Mrs J attempted to make a claim on this policy. But this claim was declined by X, as the vehicle the policy covered had been used for hire and reward as a taxi. Our service has considered, and decided, on Mr J’s complaint about X separately.

Mrs J was unhappy that the GAP policy APL sold failed to cover her, as she felt she had told APL of her intention to allow Mr J, her son, to use the vehicle the policy covered as a taxi, at the time the policy was taken out. So, she complained to APL that they had mis-sold the policy to her, and she wanted them to cover the financial costs she and Mr J had been caused because of this.

APL responded to the complaint and didn’t uphold it. In short, they didn’t agree the policy had been mis-sold as they didn’t agree they had been told of Mr J’s intended usage of the car, considering the policy documents listed the usage as “private use” only. So, they didn’t offer to do anything more. Mrs J remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and issued two separate outcomes. Both parties have had sight of these, so I won’t be recounting them in detail. But to summarise, our investigator initially didn’t uphold the complaint, as they hadn’t been persuaded that the policy had been mis-sold by APL. But Mr J provided evidence to show he had been working towards a taxi license in the months before the policy was purchased.

So, our investigator changed their opinion because of this, upholding the complaint and recommending APL pay Mrs J £450 compensation, as well as directing them to reassess the claim and if required, pay Mrs J the appropriate settlement amount plus interest.

Mrs J accepted this recommendation while also providing information to show Mr J’s financial circumstances at the time, which they felt showed they wouldn’t have looked to purchase the car at all had they not believed it could be used for hire & reward. But APL

didn't, referring to the annual mileage associated with the purchase of the car itself, explaining they would not have authorised such a low amount, had they been made aware of Mrs J and Mr J's intentions to use the car as a taxi. As APL didn't agree, the complaint was passed to me for a decision.

I issued my provisional decision on 14 January 2026, where I set out my intention to not uphold the complaint. Within that decision I said:

"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, it's my intention to not uphold the complaint.

I understand this will come as a disappointment to Mrs J and her son and I want to reassure them I've thought carefully about all the comments and information they, and APL, have provided. But in line with our services informal approach, I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my intended decision, I want to make it clear what I've been able to consider, and how. This decision focuses solely on Mrs J's complaint about the mis-sale of her GAP policy. It will not consider, or comment on, Mrs J's complaint about the decision to decline the GAP claim itself, as this has been handled separately by our service.

And when considering this complaint, I'm only able to consider evidence and information presented that is relevant to individual circumstances of this policy's sale, in line with our services approach. So, while I appreciate Mr J has provided information relating to an entirely separately policy sale that he feels gives Mrs J's testimony credibility, this isn't evidence I'm able to consider, nor is it something that has impacted the decision I've reached. This is because this evidence relates to a policy taken out in a different name, for a different car, sold around two years later.

The same can be said for Mr J's evidence supplied to show his financial situation at the time, and why he wouldn't have taken out the car if he couldn't use it as a taxi. It's important to note the car, and policy, was purchased by Mrs J, and not Mr J. So, Mrs J was the customer of APL, and the eligible complainant here. So, while Mr J may have been the intended main driver, his financial status isn't relevant to the complaint, nor has it impacted the decision I've reached.

I also want to recognise that in the individual circumstances of this complaint, there is no evidence such as a call recording that sets out exactly what was discussed when the policy was sold. While it would have been preferable for APL to be able to provide this information, they have explained it is their policy not to keep call recordings for more than 12 months. And as there is no set requirement for how long they must keep information such as this, I'm unable to say this is evidence of them acting unfairly.

So, in situations such as this where the complaint focuses solely around what was discussed between the two parties, and I'm unable to obtain evidence that allows me to listen to this conversation or know for certain what was said, in line with our services approach I must decide what I'm persuaded is most likely to have happened, based on the balance of probability.

Having done so, I haven't been persuaded that APL most likely mis-sold the GAP policy in question, and I'll explain why.

I note Mrs J maintains she told APL of her intention to allow her son to use the car the policy covers as a taxi. And Mrs J has provided information to show Mr J was working towards obtaining his taxi license in the months before the car and GAP insurance policy was purchased, which I recognise gives credibility to this assertion.

Whereas, APL have stated this wasn't mentioned to them and that if it had been, the policy wouldn't have been sold to Mrs J. Moreover, they have explained that any information discussed between themselves and Mrs J was noted in the policy documentation, which includes the demands and needs document that Mrs J agreed to.

It's not disputed by Mrs J that she did view, and agree to, this documentation. Further to this, I've seen an email from Mr J, acting on Mrs J's behalf, to APL which confirms the documentation had been read and accepted, with confirmation the GAP insurance policy premium had been paid.

And considering this documentation is the only information I have to rely on that represents what was discussed bar both parties' testimony, I've read through this at length to understand what it included

The demands and needs documents correctly lists Mrs J as the customer, and purchaser of the car and GAP insurance policy. And it lists the intended vehicle use as "Private Use". It does not at any point refer to Mr J, or any intention for the vehicle to be used for Hire & Reward, as Mrs J says she and Mr J made APL aware.

Alongside this, the IPID summary document was also included, which gave a summary of the GAP insurance policy key features and benefits. And this document lists clearly under the "What is not insured" section, under the first bullet point, that "there are certain vehicles we can't cover such as taxis, couriers, vehicles use for hire and reward".

As I've set out earlier, I'm satisfied Mrs J was provided with these documents. And I must assume these were read and understood, as we would expect any customer to have a working understanding of the policies they are paying for.

So, had Mrs J made APL aware of her intention to use the car for Hire & Reward, I would have expected Mrs J to have queried why the documents she was provided with didn't reflect this. And query why the policy she was purchasing specifically excluded using the car for the intention she says she made APL aware of. But I can't see that Mrs J did this.

Considering that outside of this documentation I only have the conflicting testimony from both parties to consider, I haven't been persuaded that APL mis-sold the policy as I must assume the policy documentation was an accurate reflection of the conversation that was held, considering it wasn't disputed by Mrs J.

Because of this, I'm unable to say APL acted unfairly or unreasonably and so, I don't intend to direct them to take any further action.

I understand this isn't the outcome Mrs J was hoping for. And I want to reassure Mrs J I've thought carefully about the representations put forward by her, and her son on her behalf.

This includes the fact this intended decision will likely leave Mrs J at a financial shortfall, which I note Mr J has also been impacted by. I want to be clear this decision isn't disputing that Mr J clearly had an intention to work as a taxi driver around the time the GAP insurance

policy was purchased.

But I've not been satisfied that this in itself is enough to persuade me APL were made aware of this fact, and that they purposefully mis-sold Mrs J a policy that they knew wouldn't be suitable for her needs at the time it was taken out, for all the reasons I've listed above. So, while I recognise the financial impact Mrs J has suffered, and no doubt the emotional impact she will have been caused by this as well as the worry for the stress caused to Mr J, I'm unable to agree this is the fault of APL or that they should do something to compensate Mrs J for it."

Responses

Neither party responded to my provisional decision by the deadline set. So, I've assumed they have no further comments to provide.

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 see no reason to change my initial conclusions, considering no further representations have been put forward by either party. Because of this, I've not been persuaded that APL acted unfairly or unreasonably, for all the reasons laid out in my provisional decision, which is copied above and which I don't intend to reiterate again. So, I'm not upholding Mrs J's complaint. And it follows that I'm not directing APL to take any further action.

My final decision

For the reasons outlined above, I don't uphold Mrs J's complaint about AutoProtect (MBI) Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 26 February 2026.

Josh Haskey
Ombudsman