

The complaint

Ms S has complained that BISL Limited (“BISL”) charged her incorrectly for her motor insurance policy, following notification of what it said was an undisclosed claim, and that this has caused her considerable distress and inconvenience.

What happened

In November 2024, Ms S received a letter from BISL dated September 2024, advising her that the premiums on her motor insurance policy would be increasing, because BISL had recently been notified of an undisclosed claim, which was dated 23 November 2021.

BISL took a payment of £109.82 from Ms S’s bank account on 1 November 2024 (an increase of £46.29) and said it would continue to take monthly payments of £109.73 from her account from 1 December 2024, with the new total payment being £1,141.68.

Ms S complained and said this action had been taken without due notice, and without her knowledge or consent. She said, regarding the alleged undisclosed claim, that she didn’t own the vehicle referred to in 2021 and only purchased it in September 2024. She was also unhappy that BISL communicated with her by letter, thereby preventing a communication trail from being created.

So she asked BISL to remove the undisclosed claim from her record, revert her car insurance premiums to the original amounts payable and communicate with her by email.

In its response to her complaint, BISL said she’d been insured with it between August 2018 and August 2024 and that there had been an incident on 23 November 2021 involving her previous vehicle, but that this was closed as “notification only” meaning no claim was made. It said the record should have been closed but remained open on the policy until February 2023, which meant that when the policy renewed in August 2022, Ms S was charged a renewal price which was based incorrectly on an open claim.

BISL accepted an error had been made and apologised for this. It said that only the insurer that had added the information to the Claims and Underwriting Exchange (CUE) could amend it, so if she believed the information to be incorrect, she’d need to contact her insurer from the time of the incident. It offered to refund £144.48 including £5.79 from 2022 and £138.69 from the existing policy, and said regarding the latest policy that it had raised a refund for the price difference between what she paid and what she should’ve paid.

It also offered Ms S £40 compensation for the distress and inconvenience caused, and said her new monthly payment should be £87.85 from 3 February and then £87.80 going forward. It asked her to respond within a week if she wanted to go ahead with the new pricing or her policy would be cancelled, without a cancellation fee.

Ms S didn’t accept BISL’s response. She said that although there had been an incident in 2021 involving another car reversing into hers while hers was stationary, she had only notified her insurer so that she wouldn’t be precluded from making a later claim in case damage had been caused. She said the claim didn’t just show on her record until February

2023, but remained live on her policy despite her repeated calls to have it amended and removed. She believed all her policy premiums had been affected by BISL's failure to keep up to date records and that she'd therefore overpaid considerably more than the amounts BISL had offered to refund.

Ms S also said her insurer had confirmed there was no claim, and she thought no notification of the incident should have been added as no claim was made. She added that the new premium amount was incorrect as it was based on incorrect data, and that 7 days was insufficient notice to cancel the policy as it wasn't enough time for her to source a new policy elsewhere.

So Ms S referred her complaint to the Financial Ombudsman Service. Our Investigator considered it, and thought it should be upheld. He told BISL he was satisfied with the amendments made to Ms S's policies from 2022 to 2023 and then in 2024-2025, but not the 2023-2024 period. He told BISL to recalculate Ms S's premiums as if the claim was settled as a "notification only" and refund her properly, with interest and £250 compensation.

But Ms S didn't accept our Investigator's opinion. She said it was clear there'd been a sharp increase in premiums since 2022 and that all her premiums from 2021-2025 would need to be re-evaluated. She also felt the compensation recommended by the Investigator was insufficient given the time and effort she had spent trying to sort this out.

As an agreement couldn't be reached, the complaint was referred to me for an Ombudsman's 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.

As this is an informal service, I'm not going to respond here to every point raised or comment on every piece of evidence Ms S and BISL have provided. Instead, I've focused on those I consider to be key or central to the issues in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I'm upholding this complaint. I'll explain why.

Firstly, I should explain that I'm aware Ms S made a subject access request (SAR) and requested extra time to submit additional information following her receipt of the results of that SAR. However, I'm satisfied I can make my decision based on the information that's already been provided. So whilst Ms S has been given some extra time to submit further information following her SAR, I don't need any more information in order for me to reach a fair and reasonable outcome in this complaint.

It's important to note here that BISL wasn't responsible for setting the price of Ms S's policies. I've seen evidence that BISL contacted the underwriter of Ms S's policy about the 2021 incident, and the underwriter confirmed that the incident was recorded as "notification only" on 15 February 2023. I also appreciate that BISL wouldn't have the authority to remove information from the CUE database, so this wasn't BISL's responsibility. That information has now been corrected. But the crux of the matter is, that the information was incorrect for some time, and clearly affected Ms S's premiums.

I'll deal with each of the policy years in turn. I'm satisfied based on the information provided by BISL, that Ms S's premiums from 2018-2021 weren't affected. For 2021-2022 Ms S's premium was £383.77. When the incident notification was added to CUE incorrectly, as a live claim, the policy premium remained unaffected. The premium then increased

significantly for the 2022-2023 policy to £494.46 due to the incorrect entry on CUE. As I've said, this wasn't BISL's fault – but it did amend this policy year premium to reflect the price Ms S would've paid had the incident been correctly recorded as "notification only". It said this would have been £488.67, so she overpaid by £5.79. For the 2024-2025 policy year, it also recalculated Ms S's premiums and refunded £138.69. It's sent information about how it calculated this and I'm satisfied with those calculations. Ms S's policy was cancelled in January 2025.

I haven't seen evidence that BISL recalculated Ms S's 2023-2024 premium until our Investigator asked it to. That year's premium was also affected by the incorrect information on CUE. Whilst the 2021 incident wasn't Ms S's fault, Ms S will be aware that a notification does need to be recorded on CUE as this reflects the fact that an incident occurred, regardless of whose fault it was. And as I've said, I'm persuaded that this would've affected Ms S's 2023-2024 premium and that this should be recalculated, so I'm going to require BISL to do that and refund the difference between what Ms S paid for that policy year, and what she should've paid had the incident been correctly recorded as "notification only".

Ms S insured her new vehicle in 2024 and didn't disclose the incident that had occurred in 2021, which she should have done, even though no claim had been made and the incident wasn't her fault. The price generated for the new vehicle therefore wasn't correct, but was then corrected by BISL as if the incident had been recorded as notification only. So I think it's done enough to show that it has recalculated that premium based on the change of vehicle and the correct incident information.

Regarding Ms S's non-fault claim on 8 October 2024, this would've understandably affected the premiums which followed, (even though the incident wasn't her fault, as I've explained above) but BISL has confirmed that Ms S wasn't charged incorrectly. I should also clarify, that whilst BISL didn't set the policy prices, it's also not for this service to tell an insurer what price to charge for its policies. And the Financial Conduct Authority (FCA) doesn't currently regulate the prices insurers charge or the methods an insurer might use to calculate a price. So I can't comment on the prices that Ms S was charged. But I have checked to see if BISL recalculated the prices based on the correct information and I'm satisfied it did for the years 2022-2023 and 2024-2025.

I can see that our Investigator has addressed Ms S's concerns about some of the calculations – such as the £59.17 refund for the 2023-2024 year, which our Investigator has confirmed, following communication with BISL, does not include the 8% interest which will be included when BISL issues the refund. Overall, despite reviewing the large amount of information in this case, and having carefully considered all the points Ms S has made, I haven't seen evidence that the calculations carried out so far by BISL are incorrect.

I appreciate Ms S feels she's been harassed for almost five years by BISL and that the mistakes made have caused her sustained distress over a significant period of time. However, I'm not going to award the level of compensation she's asked for. Whilst I understand this situation was undoubtedly frustrating, from what I've seen (including from the timeline Ms S has helpfully put together of all her emails and SARs) I can't agree that BISL's actions alone have caused severe disruption to Ms S's daily life or had an impact that's so serious that it would warrant compensation of the amount she's deemed fair. Some of the time she's spent has been on communicating with other parties involved, so it wouldn't be fair to hold BISL responsible for all the inconvenience she's experienced.

I do think BISL could've communicated more clearly with Ms S about the refunds it was issuing and how she could ensure the information on CUE was accurate. And based on the impact of everything that's happened here, I'm satisfied that £250 compensation is fair and reasonable in the circumstances, as an award of this amount reflects the issues which have

required reasonable effort for Ms S to sort out. However some of the errors were not caused by BISL, for example, the incorrect information which was recorded on CUE. So I don't consider a higher award is warranted here.

I also note that BISL has tried to accommodate Ms S's requests, for example by filling out the table she asked us to pass on to it, with premium amounts and refund amounts. And Ms S has queried how the 8% interest has been calculated. The 8% calculation isn't a straightforward one – we expect businesses to apply this as 8% per year from the date of the original payment until the date of the refund, as I've outlined below, so exact figures won't be known until the date the refund is processed. If Ms S would like to see how this has been done, then she can contact BISL after it has issued the refund.

Putting things right

BISL Limited should:

- Recalculate Ms S's premium from her 2023-2024 policy as if the 2021 incident was recorded as notification only, and refund the difference between what she paid and what she should've paid had the incident been recorded correctly.
- Add to the above amount 8% simple interest per annum from the date Ms S paid her premiums until the date of settlement.
- Pay Ms S £250 compensation for distress and inconvenience, in addition to any amount already offered or paid.

My final decision

My final decision is that I uphold this complaint and I direct BISL Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 24 March 2026.

Ifrah Malik
Ombudsman