

complaint

Mr S complains that Royal & Sun Alliance Insurance Plc (RSA) refused to amend the policy record when he told them about a change of registration number. And because of this he had to hire a car until the change was made.

background

The background and circumstances of this complaint and my initial thinking are set out in my July 2015 provisional decision. I attach a copy of that decision, which forms a part of this final decision.

Mr S and RSA have seen the provisional decision and responded. Mr S hasn't provided any further comments or information. But RSA has said that it could have contacted the hire company. But that it wouldn't have been able to make the changes even if it had, because the hire company didn't "*have all the documentation at this point*". And the hire company would only authorise RSA to make changes once it has "*all the documentation in order*".

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It's not clear what 'documentation' RSA is saying the hire company didn't have. And RSA hasn't shown me anything to support its assertion that the hire company didn't have all the documentation in order when Mr S called RSA. What I do know is that the hire company had the DVLA documentation when Mr S called RSA because it had sent Mr S the new registration document on 28 May 2014 so he could get new number plates made. And this is when Mr S called RSA. So I think the hire company probably had "*all the documentation in order*" at this time. So if RSA had called, I think the hire company would probably have been able to authorise the changes Mr S was asking for.

So RSA's response doesn't change my conclusion. And it follows that I've now reached the same conclusions as in my provisional decision.

my final decision

For the reasons above and in my provisional decision, I uphold Mr S' complaint in part and require Royal & Sun Alliance Insurance Plc to pay him:

1. £327.98 for his hire car costs plus 8% simple interest from the date he paid for the hire car to when it pays him[†]; and,
2. £100 for trouble and inconvenience it caused him.

[†]HM Revenue & Customs requires Royal & Sun Alliance Insurance Plc to take off tax from this interest. Royal & Sun Alliance Insurance Plc must give Mr S a certificate showing how much tax it's taken off if he asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 October 2015.

Mike Foster
ombudsman

copy of provisional decision

complaint

Mr S complains that Royal & Sun Alliance Insurance Plc (RSA) refused to amend the policy record when he told them about a change of registration number. And because of this he had to hire a car until the change was made.

background

Mr S hires his car. Under the lease agreement, the hire company is responsible for insuring the car. It insures Mr S' car, and the rest of its fleet, under a group policy with RSA.

In 2014 Mr S' hire of one car (the first car) was due to expire, and he was starting a new agreement for a new car (the second car). Because Mr S wanted his cherished number plate to be transferred to the second car, the hire company had to arrange with DVLA for a new registration number for the first car.

The hire company sent Mr S the new registration document for the first car on 28 May 2014 and he arranged for new number plates. He contacted RSA to tell them the new registration number. RSA refused to change the car's details on its records, or the Motor Insurers' Database (MID) that the police use to check if a car's insured. It would only do this if it was contacted by the hire car company. But it did tell Mr S that his car was still covered because the car was owned by the hire car company, which had a 'blanket policy'.

RSA says the hire company didn't tell them about the change of registration number until 23 June 2014. And that it updated its records and the MID straight away. But because Mr S was worried that his car wasn't insured, he hired a car for the time between when he put new number plates on the first car and when RSA updated its records. This cost him £327.98.

Our adjudicator didn't think RSA had done anything wrong. So he didn't uphold Mr S' complaint. Mr S disagreed. He says that it was unfair for RSA not to amend the policy record based on what he told them and that *"if the MID database shows a vehicle as being uninsured, then it is simple as that – the vehicle is NOT correctly insured"*.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

First, for clarity, I won't be considering the behaviour of the hire company in this decision. That's been the subject of a separate complaint and ombudsman's decision.

I intend to uphold Mr S' complaint. I'll now explain why.

Both parties agree the key facts. Mr S called RSA and told them about the new registration number. But RSA said it needed the hire company to tell it to change the policy record and update MID. Mr S told RSA he was worried that he couldn't drive his car until the change was made because it wouldn't be insured. And RSA advised him that his car would still be covered with its new registration number. RSA updated the policy record (and MID) when it was told by the hire company to change it on 23 June 2014.

From the policy schedule I see the hire company was the policyholder and Mr S was named as the person the car was allocated to. I also see from the lease agreement that the hire company remains the owner of the car. So RSA's contractual relationship was with the hire company, not Mr S. And the policy was for a number of the hire company's cars, not just his. Given all this, I think it was reasonable that RSA wouldn't change its records and the MID without the hire company confirming

this was OK.

Mr S says he thinks, despite what RSA told him, this meant his car wasn't validly insured. And because of this he had to hire a car. I've reviewed the Road Traffic Act 1988. I can confirm to Mr S that a valid motor insurance policy doesn't have to identify the vehicle by registration number. It can be valid if it covers any vehicle owned by the policyholder, and the vehicle in question is owned by the policyholder. So I think what RSA told Mr S was right.

I've considered whether, once Mr S had told RSA, it should have contacted the hire company. Because Mr S was clearly worried about being properly insured, I think he's likely to have called RSA when, or soon after, he got the new number plates. This was late May or early June 2014. The hire company didn't tell RSA about the change until 23 June 2014.

By waiting instead of contacting the hire company, RSA failed to consider Mr S's situation from his perspective. Mr S knew that the MID was not up to date. He knew this put him at risk of being pulled over by the police. This may have been resolved by a call to the hire company or RSA. But it could as easily have resulted in Mr S's car being impounded. I think this risk weighed heavily on Mr S's mind. And in those circumstances, I think it was reasonable for him to hire a car.

This could have been avoided if RSA had simply contacted the hire company, confirmed what Mr S had told them and updated its records and the MID. RSA's supposed to treat its customers fairly and this means doing what it can to resolve problems for them. It looks to me that instead of just calling the hire company and sorting the problem out, RSA's staff chose to just wait to be told. This doesn't seem fair to me when it left Mr S either driving his car with the threat of being pulled over hanging over him, or not driving it at all.

So I think RSA's approach of not making changes to the hire company's policy based on information from a hirer was reasonable. But I don't think RSA acted reasonably by not contacting the hire company after Mr S had made them aware of the change.

It follows that I think that Mr S' complaint should partly succeed. And SRA should compensate Mr S for both the hire car costs he incurred and the stress of the difficult position it put him in.

my provisional decision

For the reasons above, I intend to uphold Mr S' complaint in part and require Royal & Sun Alliance Insurance Plc to pay Mr S:

3. £327.98 for his hire car costs plus 8% simple interest from the date he paid for the hire car to when it pays him[†]; and,
4. £100 for trouble and inconvenience it caused him.

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