

complaint

Ms A through her father Mr B has complained about the administration of her motor policy by CIS General Insurance Limited. She found the premium advice confusing and believed that CIS cancelled her policy without notification. She also says she was given incorrect information regarding 'mileage' brackets.

background

The adjudicator who investigated Ms A's complaint recommended that it should be partially upheld. She agreed with Ms A's father, Mr B, that the CIS representatives could have been clearer and ensured she properly understood all the issues. There was no cancellation of the policy, rather Ms A did not respond to the invitation to renew her policy in 2013.

As a result she recommended that CIS pay Ms A £150 compensation for the delays in dealing her complaint. It should also adjust and refund any policy premium following the adjustment to the policy after the non-fault claim was resolved, which CIS confirmed was done. Lastly the adjudicator recommended that the above be confirmed to Mr B and Ms A following the resolved claim if it had not already done so. CIS were agreeable to this, consequently Mr B was asked if he agreed on behalf of Ms A.

Mr B signed the settlement form accepting the proposed settlement. However he then contacted the adjudicator to add a caveat as he was still of the view that CIS had not properly justified to him the premium payments it charged and refunds given. The adjudicator, following further discussions with CIS, was of the view that the figures put forward by CIS were correct, but Mr B did not accept this.

Consequently CIS now wishes to withdraw its offer to Ms A.

Therefore the issue has been passed to me to decide.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

In early December 2013 Mr B said in an email to the adjudicator that the reason he felt unable to complete the settlement of this complaint was that he was merely asking for details of CIS' 'double checked figures' and that he was not asking for payment of any other issues.

The adjudicator then told Mr B that CIS had confirmed these figures were correct, but that CIS was unwilling to provide the breakdown of the pricing to Mr B, as this was commercially sensitive information. Mr B did not accept this.

I find that both the adjudicator and CIS have tried to explain the issues to Mr B and I do not see that it is reasonable of him to continue to not accept the figures as presented to him.

I find that it is not appropriate for information that can be classed as commercially sensitive to be ordered to be disclosed to a consumer.

Nevertheless CIS wrote to the adjudicator in early February 2014 and gave the following explanation which I have paraphrased. This was also sent to Mr B. In 2009 Ms A first bought

her motor policy with CIS with a No Claims Discount (NCD) of one year which amounted to a 50% discount. On 7 December 2010 a claim was registered on the policy resulting in the NCD being reduced to 25% as it was deemed to be a 'fault' claim. Ms A's policy was due to renew on 22 December 2010. She was originally invited to renew prior to this fault claim being registered with a premium of £826.58 given she had two years NCD, as in a 60% discount. However given the fault claim was registered on her record on 7 December, her premium for the renewal of her policy was then increased by £655.86 bringing the total she would have pay to renew her policy with CIS to £1,482.44. Whilst Ms A could have of course decided to look elsewhere for her motor insurance at that time, she chose to renew with CIS and paid this amount.

At that time it was explained to Ms A that should the claim registered on her policy on 7 December 2010 be changed so as to be deemed a 'non-fault' claim, she would get a refund of the increase of the extra £655.86. However unfortunately for Ms A, the claim was closed as a 'fault claim' which meant no refund of the premium was payable to her and consequently her premium for the year was correct at a total of £1,482.44.

Unfortunately Ms A had another claim registered on her policy on 15 April 2011, which was also initially deemed a 'fault claim'. This also impacted on her NCD which was then reduced to nil given the two fault claims on her recent policy history. Consequently when it came to the renewal date in December 2011, Ms A's premium was increased to £2,580.50. Ms A was informed of this in plenty of time so as to allow to her search the market for a potentially cheaper premium. Nevertheless she renewed with CIS. As the investigation of this second claim progressed, its registration was changed from a 'fault' claim to a 'non-fault' which then meant Ms A was due a premium refund as her NCD would be reinstated to a 50% discount. Consequently a premium refund of £1,248.25 was then paid to Ms A by CIS.

Ms A's policy was due to renew again in December 2012. In CIS' invitation to Ms A to renew her policy, it said her premium for the following year would be £1,239.69 which Ms A duly paid. At the renewal date in December 2013, Ms A did not respond to the invitation to renew and so her policy lapsed. Consequently I find that there was no cancellation of her policy.

However I do find that that the issue of the claims and the potential of the refunds were handled less than well by CIS and the ensuing confusion caused by Mr B's lack of comprehension was also not well handled. Therefore I agree with the adjudicator that CIS should pay Ms A compensation for this inconvenience. I find that the amount of £150 is fair and reasonable.

Mr B on behalf of Ms A also complained that there was confusion concerning her mileage allowance. When he initially complained to CIS he thought the mileage allowance was 10,000 miles per year whereas in fact CIS confirmed to Mr B it was limited to 6,000 per year.

It was then changed to an allowance of 10,000 miles per year. Mr B was upset that the initial call recording where Ms A and CIS discussed this was not available to examine. It paid Ms A the sum of £30 compensation for the fact that the recording of the telephone call was not available. I find that this was reasonable.

CIS has also pointed out that the mileage usage does affect the amount of premium payable and as Ms A has benefited from being charged a lower premium for two years in view of the incorrect and lower mileage allowance being attributed to her, she has actually benefitted. I find that I agree.

my final decision

For the reasons above it is my final decision that I partially uphold this complaint. I now require CIS General Insurance Limited to pay Ms A the sum of £150 compensation for the inconvenience caused by the handling of her complaint.

I make no other order against CIS General Insurance Limited.

Rona Doyle
ombudsman