

complaint

Mrs W has complained about All Medical Professionals Ltd's (AMP) administration of a motor trade insurance policy.

Mrs W has been represented by her husband Mr W. But for ease, where appropriate I've referred to Mr W's comments as being those of Mrs W.

References to AMP include the actions taken under its former business name. AMP is the broker of the motor trade policy. That means it acts as an intermediary between the policyholder and the underwriter of the policy.

background

Mr W went to work for a motor trader and wanted to add his own and Mrs W's cars to the motor trader's policy. AMP gave help and advice with that.

Mrs W was involved in an accident but the underwriter said it wouldn't pay the claim and she wasn't covered because her car wasn't appropriately registered. Mrs W said she'd followed AMP's advice on registering her car. And she brought her complaint about AMP's service to us.

I issued a provisional decision on 28 April 2017. I said that it was likely I wouldn't uphold the complaint. I set out my provisional findings as follows:

"The policyholder is the motor trader and the policy is intended to cover the vehicles which are the assets of his business. When Mrs W had her accident she was driving her own car and her journey wasn't in connection with the policyholder's business. So the underwriter refused to cover her for the accident.

Mrs W felt that was wrong because she'd approached AMP, via Mr W, about having her car included on the motor trade policy. I've seen an email exchange between Mr W and AMP where he asked it for advice about cover for himself and Mrs W on his employer's motor trade policy. It told him that, with the policyholder's consent he and his wife would be covered for any car for business purposes. But it added that the policy:

"...only covers the pleasure use aspect for those vehicles registered to [the policyholder] and the business, so unless you are to transfer over your own car to the business, you will need to retain your own current private car policy for the pleasure use aspect."

In other words, if Mr and Mrs W weren't driving their car in connection with the motor trader's business they wouldn't be covered, unless their cars became assets of the business. It seems that in order to have her car covered by the motor trader's policy, for non-business purposes, Mrs W changed the name on the registration document of her car with DVLA. It's notable that she changed the registered keeper's details to read as "[motor trader's trading name] garages". But she left her own name and address on the document. It's worth pointing out that the motor trader's business isn't called [trading name] "garages" but [trading name] "classics". So Mrs W had incorrectly changed the name on the registration document. But even if she'd used the correct name I don't think that amounts to transferring her car to the business.

Mrs W limited her actions to changing the first line of the registration document. She didn't transfer ownership of the car to the business so that it became a business asset. And it didn't become the responsibility of the business. And as far as I know, Mrs W kept responsibility for the road tax. Also, she kept the car when her husband ceased working for the policyholder. But I haven't seen any evidence that ownership was transferred back to her from the business. In fact, as I understand it, the registration document still shows the registered keeper as [trading name] garages. So while the detail on the first line of the registration document might have changed I don't think that responsibility or ownership of the car was ever transferred to or from the business.

So I don't think Mrs W did what AMP suggested in order for her car to be covered by the motor policy for anything other than the motor trader's business use. And I don't think it was AMP's responsibility to make sure she did that properly. It had provided appropriate advice and if Mrs W wasn't sure exactly what she needed to do to meet the terms of the policy, then she could have asked for further information. I don't think AMP was under any obligation to ensure she transferred the car to the business correctly.

It follows that I don't think AMP's done anything wrong. So I'm not going to ask it to step into the shoes of the underwriter or to pay compensation."

developments

AMP didn't comment on the merits of my provisional decision. Mrs W made a number of comments and I've summarised what I consider to be her key concerns here.

Mrs W said that she felt she was fully insured, didn't believe it was her fault that she wasn't and so doesn't feel responsibility lies with her. She also said that AMP didn't stress the importance of appropriately registering the car with the business so it became a business asset.

Mrs W added that she had no experience of a motor trade policy. And AMP should have made her aware of the consequences of not appropriately transferring the car to the business. She asked what benefit she would have gained from not registering her car appropriately with the business.

She explained why she had referred to the business as "garages" rather than "classics", pointing out that was how it was generally known and that was what Mr W's business card gave the name of the business as. She's said that she would have arranged other insurance or changed the wording on the car's registration document if she'd understood the implications of AMP's advice.

She also asked questions about the procedure if my provisional decision remains unchanged. But I understand that the investigator has addressed that point so I don't intend to address it below.

my findings

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'm not going to uphold it.

I understand that Mrs W didn't intend to drive uninsured and was unfamiliar with motor trade policies. But that doesn't mean that AMP did anything wrong. The responsibility for ensuring

her car was appropriately insured was hers not AMP's. And AMP gave appropriate advice that, unless Mrs W transferred her car to the business she wouldn't be insured to drive the car for anything other than business use.

I don't think it was AMP's responsibility to ensure that she did this appropriately. Nor do I think it was required to explain this meant that the car needed to be an asset of the business. If Mrs W was unsure about what that meant or what actions she needed to take then she could have asked AMP or the policy underwriters to provide further information. But she didn't do that. And the implications of not having valid insurance are the same whether a driver has a standard policy or a motor trade policy. I don't think AMP needed to specifically point that out to her.

Mrs W asked what she had to gain by not appropriately transferring the car. But whether she had something to gain or not doesn't mean that AMP did anything wrong. And if Mrs W, rather than AMP, made an innocent mistake, I don't think it's fair to ask AMP to put right the implications of that mistake.

Mrs W has provided an understandable explanation for using the name "garages" rather than "classics" on her car's registration document. But, as I said in my provisional decision, using the correct name wouldn't amount to transferring the car to the business. And as I've said above, if Mrs W didn't know how to go about this she could have asked for further information. I don't think it's reasonable to expect AMP to second guess what Mrs W would or wouldn't know or the action she intended to take. So I don't think it did anything wrong.

my final decision

For the reasons set out above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 19 June 2017.

Joe Scott
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