

## **complaint**

Mr B has complained about BISL Limited's (BISL) service in connection with his motor insurance policies.

Reference to BISL includes its agents.

## **background**

BISL arranged insurance, branded with the name of a well-known motoring organisation, for Mr B. Mr B contacted BISL before the policy was due to renew. He said he was thinking of changing his car and asked about his options. In particular he wanted to know if he could change the car but still cover his existing car until he sold it. BISL told him that it could only cover one car at a time and it couldn't offer any form of "overlap" cover for Mr B's current car. But it told Mr B if he wanted to cancel his policy after renewing it BISL would waive the cancellation fee of £55.

Mr B renewed his policy with his existing car. He contacted BISL shortly after. He said he was buying a new car in a couple of days and asked about changing the car on his policy. BISL quoted Mr B for the new car he was intending to buy. Mr B then phoned BISL again a couple of days later and said that he'd like to take the insurance for his new car at the price it had previously offered him. He asked about overlapping cover for his existing car. BISL again told him that it couldn't provide any overlap of cover for more than one car. Mr B asked what he could do to cover the old car. BISL said it could provide a new quote for his existing car. It did so but that was over £1,000. It said Mr B could seek temporary cover but it couldn't offer that over the phone as it was only available online. Mr B wasn't happy and asked about keeping his old car on his existing policy. BISL told him that as it had already set up the policy for the new car it wouldn't do that.

Mr B complained. BISL told Mr B that it had changed the policy without gaining Mr B's "authority", so it paid Mr B £100 compensation. Mr B brought his complaint to us. Our adjudicator thought that BISL should have allowed Mr B to swap the cars back on the policy, so that his existing car remained on cover. And because it didn't do so she said it should pay Mr B £100 compensation for his inconvenience.

Mr B didn't think that went far enough so his complaint's been passed to me to decide.

## **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 going to partly uphold it and my award to put things right will be the same as our adjudicator recommended.

In bringing this complaint Mr B has made a number of detailed points. I've considered everything he's told us very carefully. But in his decision I don't intend to address each point he's made and instead will focus on what I see as being the key outstanding points.

Mr B's policy is branded in the name of a well-known motoring organisation and not BISL. But it seems that BISL works in partnership with that motoring organisation to arrange and administer insurance. And BISL is regulated by the Financial Conduct Authority (FCA) to carry out those actions. So, I'm satisfied that it's BISL that is responsible for responding to

Mr B's concerns, regardless of the motoring organisation's branding on the policy documents or when communicating with Mr B.

I should say that it's common for well recognised brands to work in partnership with providers of specific FCA regulated services, in order to benefit from the regulated firm's expertise. And we don't think there's anything unfair about that. But it will always be the regulated firm, rather than the brand in partnership with that firm that remains responsible for responding to complaints we look into. So I've referred to BISL's actions, rather than the motoring organisation's, throughout this decision.

BISL paid Mr B £100 compensation for not gaining his authority to change the car on his policy. Having listened to the calls I can see how the confusion arose. Mr B had previously spoken with BISL, which had provided a quote for the new car he was intending to buy. Mr B later rang it back and said he was in the process of disposing of his existing car and said "*I want to take up the insurance for the new vehicle*". BISL told Mr B that if he went ahead then he wouldn't be able to make any further changes to the policy until the next day. It then agreed Mr B's payment method and the day those payments would come out of Mr B's account. So I can understand why the call handler thought that Mr B *had* given his authority to go ahead and change the car as Mr B clearly said that he wanted to take up the insurance as offered in a previous call.

But BISL's explained to us that its process is that, before confirming such a change, it should ask its policyholder twice before it implements it. And as it only asked Mr B once, it hadn't followed its own process. But I don't think it's fair to say that BISL acted without any form of authority. But because that call-handler didn't ask Mr B for that authority twice, as its process required, BISL offered Mr B £100 compensation. I think that's reasonable in the circumstances.

Mr B was unhappy that BISL wouldn't allow him to overlap the cover on his existing car once he insured the new car. But in the call when Mr B first asked about his options for changing the car on the policy BISL told him on numerous occasions that it didn't offer a facility for overlapping cover beyond the day he changed cars. And it's clear that Mr B understood that as he said himself that "*you've [BISL] got no overlap facility*". So as BISL made that clear and Mr B seemed to fully understand it, it's not clear why he thought that BISL should offer him overlapping cover on the day he said he wanted to change the car on the policy. And I don't think BISL did anything wrong by not offering that cover when it had been so clear that it wouldn't offer that service initially.

But, for whatever reason, it seems that Mr B hadn't fully grasped that BISL wouldn't, under any circumstances, offer him to cover both cars at the same time. So, when he learned that wasn't possible Mr B said that he wanted to change the details back to cover his existing car. BISL told him that as it had already made the new policy effective it couldn't change the details back. But I don't think that was reasonable in the circumstances. I can understand that, given BISL had already made the new policy effective; changing it back might have given it some technical difficulties. And I note that it had already told Mr B that if he confirmed the changes it couldn't make any further change until the next day. But in the circumstances, given Mr B's unhappiness, I think that's what it should have done. That is, it should have ensured that it changed the details back to the existing car the next day. And I don't think it was reasonable that it didn't offer Mr B that option.

Mr B's said that BISL's actions essentially forced him into a position where he had to buy the new car. But I don't agree that's the case. Mr B had already told BISL, during an earlier call,

that he intended to buy the car and the date he intended to collect it. He then confirmed that when he rang BISL to change the car on the policy. So it seems he was committed to buying the car at that point. But if he wanted to change his mind he could have done so. He could have cancelled the new policy without penalty. He could also have sourced alternative insurance for his existing car had he wished to do so. It follows that I don't think it's fair to say that BISL's actions forced Mr B to buy the new car. But as I've said above I think it would have been reasonable for BISL to reinstate the cover for Mr B's existing car as he requested as that would have given him more options. But as BISL didn't give him those options I think it should pay Mr B £100 compensation.

Mr B commented on BISL's influence over the premiums he was offered. And as a loyal customer, Mr B thinks BISL should have done more for him. But while Mr B would be correct to say that BISL does play a part in the final premiums it offers, I'm also aware that BISL looks for policies from its panel of insurers. And insurers will wish to ensure that the premium they receive is enough to cover the risks they're taking on with the policy. So BISL's influence over that will be limited. BISL could have chosen not to collect some of its commission or reduce its charges. But that would be a commercial decision.. And I don't think it was under any obligation to do so. And I think BISL dealt with Mr B as it would for its other customers with similar circumstances. So I think, for the most part, it dealt with Mr B fairly.

I understand that Mr B says he has some health issues and disabilities. And he says BISL's actions were costly and damaging. But I think the compensation I've awarded, on top of the compensation BISL has already paid to Mr B, is reasonable to address the impact of the gaps in BISL's service. I understand that Mr B is likely to disagree with my final decision. And in those circumstances he doesn't have to accept it and he may take whatever action, for example through the courts, that he feels is necessary to resolve his concerns. But this final decision will bring our involvement in Mr B's complaint to a close.

### **my final decision**

For the reasons set out above I partly uphold this complaint. I require BISL Limited to pay Mr B £100 compensation to address his distress and inconvenience arising from its mistakes.

It should pay the compensation within 28 days of us telling it that Mr B has accepted my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a rate of 8% a year simple.<sup>1</sup>

Under the rules of the Financial Ombudsman Service, I'm required to Mr B to accept or reject my decision before 31 January 2020.

Joe Scott  
**ombudsman**

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<sup>1</sup> If BISL considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a certificate showing this if he asks for one, so he can reclaim the tax from HMRC if appropriate.