

## **complaint**

Mr B complains that Smart Driver Insurance Limited unfairly increased its quote for his motor insurance policy and took the increased amount from his bank account without telling him.

## **background**

Mr B went on a price comparison website in February 2019 to obtain a quote for his forthcoming annual motor insurance policy. He found a policy with an insurer arranged through Smart Driver acting as broker. He was quoted an annual premium of £775.39.

About five days later, Mr B accepted the quote. He was surprised to find shortly after that that Smart Driver had debited his account by £886.68. Mr B complained to Smart Driver. He said he understood the quote he'd got was valid for 30 days. And he said he'd not been told about the price increase before the money was debited from his account. Mr B said he wanted Smart Driver to honour the original quote.

Smart Driver investigated Mr B's complaint. It said the quotes Mr B had obtained on the price comparison website hadn't included his vehicle's registration number. It said this meant the quote wasn't fully complete when it came through to its website. It said it only guaranteed to honour quotes for 30 days if the information in the quote is complete. It said that was because prices change daily. It said that when Mr B had taken the decision to proceed with the quote he entered his vehicle registration on its website. It said that as its quote system didn't have a guaranteed price it could display (because of the updated information provided) it provided him with a new quote. It said its rates had also changed in the time in between.

Smart Driver apologised for not noticing what had happened when Mr B first contacted it to query the premium. But it said the entering of the registration number had led to the price increase. It said the original price comparison quotes hadn't included the vehicle registration. But it said because it hadn't spotted what had happened when he'd first complained it was prepared to refund 50% of the difference in premium as a gesture of goodwill (between £775.39 and £886.68) which came to £55.64.

Mr B was unhappy with the outcome of Smart Driver's investigation so he complained to this service. He said whilst a registration number may not have been displayed, the correct vehicle details (make, model number etc.) were shown. So he said the quote was based on the correct car. He also thought the price comparison site had likely stored his vehicle registration from previous searches he'd done. Mr B also complained that the quote he got hadn't been honoured despite accepting it within 30 days and the vehicle cited being correct. He thought Smart Driver had stolen the extra money and that its website was misleading because any price change wasn't clearly visible.

Our adjudicator investigated Mr B's complaint and recommended that it was upheld. She thought the fact Smart Driver had the correct vehicle details meant it should've honoured the quote. She recommended that it refund the full difference in price between the two quotes.

Smart Driver disagreed with our adjudicator. It said was made clear at the point of quote that it was only valid for 30 days if no information changed. It said the registration number is important because it can see the specific vehicle history.

As our adjudicator wasn't persuaded to change her mind the complaint was passed to me for a decision.

I issued a provisional decision on this case in August 2019. I made the following provisional findings:

*“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. Although I appreciate it will come as a disappointment to Mr B, I don't think his complaint should be upheld. I'll explain why.*

*Insurers all assess risk differently. What is high risk to one may not be to another. Insurers will also use different data when assessing the risk posed. But that's not unfair. We wouldn't generally tell Smart Driver (or any insurer) that it should, or shouldn't, use specific data. The risk is Smart Driver's to take on so it will decide what information it wants to know and how it will assess it and will charge a price accordingly.*

*And insurers can only produce quotes based on the information they are given. And different insurers will take different factors into account when calculating the premiums they wish to charge. What is important to one insurer may not be important to another. But providing each insurer applies its internal criteria consistently and fairly, and doesn't single any of its customers out in any way then this service won't typically interfere in how they choose to assess the risks they're being asked to take on.*

*Here Smart Driver, administering the policy for the insurer, promised to guarantee the quote if none of the information changed. But as part of the quotation process it sought the vehicle registration number. It wanted that information so it could see the specific vehicle history. I know that Mr B thinks the fact he'd input the make and type of car should be enough for Smart Driver to honour the original quote but I'm unable to agree. That's because the decision about what to take into account and how to rate it is Smart Driver's. And two cars which are the same make and model may have very different histories which would affect how an insurer rated them and the premium they generated. The initial quote was based on incomplete information so when the full information was provided to Smart Driver by Mr B it meant a new quote was generated. And it is not unreasonable to think the price Mr B got on the first quote would've been different if the registration number had been input initially by him.*

*So I'm unable to agree with Mr B that the make and model was sufficient information for Smart Driver to honour the quote. It says the vehicle registration is important and I don't think that's unreasonable.*

*Smart Driver has said that it honours quotes providing no information changes prior to acceptance. I don't think that's unreasonable either. If the information presented changes between the quote being given and accepted then the risk that Smart Driver is being asked to insure also changes. And I'm unable to agree that it would be fair in such circumstances to hold Smart Driver to a price based on different information that affected how it rated the policy. When Mr B went to purchase his policy it effectively generated a brand new quote because of the new information provided. I've seen the screen shot from Smart Driver's website that shows the new price was clearly displayed*

*Market prices do move on a daily basis and it's unfortunate for Mr B that this went against him but it isn't something this service could interfere with. Both Smart Driver and the insurer have said that if the registration number had been inputted on the price comparison site then*

*the quote given would've been honoured even with a rise in market prices. Without it though, a new quote based on the current live market rate, was generated.*

*So I don't think that Smart Driver has treated Mr B unfairly by not honouring the original quote. Nor do I think it's been unfair by requiring and relying on his vehicle registration number when calculating the price of his policy. I think Smart Driver has treated Mr B reasonably by refunding 50% of the difference between the two prices quoted and I can't fairly require it to pay him anymore."*

Smart Driver didn't respond to my provisional decision. Mr B replied and made the following points:

- He entered his car registration number into the price comparison site but it may not have transferred to Smart Driver's website;
- He asked Smart Driver repeatedly what the changes to his premium were as a result of his registration number being declared. Smart Driver said the vehicle model had changed which led to the price increase;
- The vehicle the original quote was based on is exactly the same as the one ultimately insured so he doesn't understand what has changed. If Smart Driver could explain it, he would be happy to pay the increased premium;
- His driving history was never a factor in the price change;
- Smart Driver has never provided specific reasons for the price changed despite him repeatedly asking;
- That I had said that additional information can be obtained from provision of the vehicle registration number such as his driving history. But he has always been honest about his driving record so if it is the reason the price increased he wants to know what was revealed by the provision of the registration number to influence the price charged;
- Smart Driver's website is poorly designed so that the price increase isn't clear. It wasn't until his credit card statement arrived that he discovered he'd been charged more;
- He wants clear evidence about what changed when he provided his registration number to cause the premium to go up.

The complaint was passed back to me for a decision.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Although I'm grateful for Mr B's comments in response to my provisional decision they've not persuaded me to change my mind. I'll explain why.

The evidence I've seen indicates that the registration number wasn't inputted on the price comparison site.

Smart Driver said in its final response letter that the price change was due to a change that occurred to market rates in the period between Mr B obtaining the original quote and deciding he wished to proceed. And also to the fact the original quote didn't include a vehicle registration number. This meant the original quote was based on incomplete information. As that was the case Smart Driver was unable to honour the original quote. As I said in my provisional decision, if full information had been originally declared then it is not unreasonable to assume that it would've yielded a different price and not the £775.39

originally quoted. But if full information had been declared at the outset then the price that would've been generated would've been honoured.

As I said in my provisional decision, what factors an insurer wishes to take into account when deciding what price to charge for the risk it's being asked to take on is a matter for the insurer. If an insurer wants to know the vehicle registration number then that is its choice. This service doesn't typically interfere in such matters. Only if there was evidence that an insurer wasn't applying its criteria fairly to all its customers would we do so. And there's no evidence that that's what happened here.

The vehicle registration number was information that Smart Driver wanted. That's because it can then check the specific vehicle history. It can't do that if it only has the make and model of the vehicle. The fact it wanted that information isn't unreasonable.

Smart Driver hasn't said the vehicle model changed, only that it could see the history specific to Mr B's actual vehicle once it had the registration number. That's information it takes into account when deciding what price to charge.

There's no evidence that I've seen that Mr B's driving history was a factor that caused the price change. So I agree with him about this point. But the history specific to his vehicle (as a result of him declaring the registration) was a factor. Specific vehicle history is different from personal driving history. The change to market rates in the intervening period was the other reason the price increased. And these are the reasons given by Smart Driver. So I can't agree with Mr B that Smart Driver has never explained to him why the price went up.

I've seen a screenshot from Smart Driver's website – the price prior to purchase was clearly displayed.

I can't reasonably require Smart Driver to honour the original quote as Mr B wants. To do so, for the reasons given above, wouldn't be fair in all the circumstances.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 October 2019.

Claire Woollerson  
**ombudsman**