

## **complaint**

Mrs M's unhappy because EUI Limited (trading as Diamond) asked her to pay an additional premium for her car insurance policy.

## **background**

Mrs M took out a policy with EUI online in July 2015 through a price comparison website. When it came to renewal in 2016, EUI asked Mrs M for information about her and her named driver's licences. It found out that while it had worked out the premium based on Mrs M and the named driver both having full manual UK licences, the named driver actually had an automatic licence. So it said there was an extra amount to pay for the 2015 policy year and it increased the amount she'd need to pay to renew the policy in 2016 too.

Mrs M decided not to renew her policy with EUI. And she complained because she was unhappy with the extra premium she was being asked to pay for the 2015 policy. She thought she'd answered correctly all the questions she'd been asked when she bought the policy.

Our adjudicator thought Mrs M's complaint should be upheld. She didn't think the question Mrs M had been asked about licence type during the application process was clear enough. So she thought it'd been reasonable for Mrs M to answer the question in the way she did. She recommended that EUI should refund Mrs M the extra amount, plus interest if it'd already been paid or she said it should waive the money. She also thought it would be fair for EUI to pay Mrs M £50 for the trouble and upset it'd caused her.

EUI disagreed. It said it was down to the price comparison website if the questions weren't clear. It also said that towards the end of the price comparison process, Mrs M had been required to tick a box to confirm she'd read the terms and conditions. One of those terms said that Mrs M was responsible for making sure she'd answered all questions honestly, completely and to the best of her knowledge. It also pointed out that after Mrs M had accepted the quote, she was redirected on to EUI's website to check the information she'd given was right. She'd confirmed it was. And it also said she'd been asked to check the policy documents once the policy had been set-up to make sure they were correct. The motor proposal form listed the named driver's licence type as UK – Full manual.

## **my findings**

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

I've thought about everything both parties have sent us. I've decided to uphold Mrs M's complaint. I'll explain why.

Mrs M says a family friend helped her fill out the online process. But for simplicity, I'll refer to Mrs M in this decision.

Both sides acknowledge that Mrs M's named driver had an automatic licence rather than a manual one. EUI thinks Mrs M didn't give the right information during the online application process. And if she had, it would've charged her more for her car insurance. And it's shown how it worked out how much more Mrs M needed to pay if it'd known the right licence type

from the start. That's because it thinks drivers who have an automatic licence are more at risk of needing to claim than drivers with manual licences.

But EUI needs to show it asked Mrs M a clear question when she took out the policy that should've reasonably prompted her to give the right answer. It also needs to show that she answered it incorrectly. And I don't think EUI's done so.

I've looked carefully at the screenshots EUI's sent us showing us part of the sales process Mrs M went through on the price comparison website. The relevant section is called '*about your driving*'. Mrs M was asked '*What type of licence do you hold?*' There were four boxes to choose from: UK Full, UK Provisional, EU Full or Other. Mrs M chose 'UK Full' for both herself and her named driver. If Mrs M had selected 'Other', this would've brought up a drop down box and listed at the top of this box was the automatic licence option.

I agree with our adjudicator that these options aren't very clear. I also think it's reasonable for a consumer to believe that if they've passed their driving test in the UK, they should choose the UK Full option. That's because they wouldn't seem to fit under the other headings. I can't see any explanation on this screen to show that if someone doesn't have a manual licence, they should choose the 'Other' box. And there was no guidance from EUI which explained how this question should be answered.

So I think it was entirely reasonable that Mrs M answered in the way she did. I think, looking at the options Mrs M was given, she answered honestly and to the best of her knowledge. And I also think it should've been foreseeable to EUI that some drivers would interpret the options they were given in the same way.

I accept Mrs M was later directed to EUI's own website to confirm the information that'd been entered on the price comparison website. And this screen would've said that the named driver had a UK Full Manual Licence. But I have to bear in mind that by this point, Mrs M had already gone through the online process. She'd given the answers she thought were right, based on the questions she'd already been asked. So I think it was reasonable for her to simply confirm she'd given the right information earlier on in the process.

And while I've seen the motor proposal form does say the named driver had a UK full manual licence, I don't think in the circumstances of this case that paperwork EUI sent Mrs M *after* the sale was completed was enough to put right things that may've gone wrong at the point of sale. The initial question's ambiguity set in process a chain of events that led to EUI not getting the information that it wanted. And in my view it's unreasonable on the facts here to hold Mrs M responsible for this.

I understand EUI feels the price comparison website is responsible for whether or not the questions were clear. But I don't agree. The website was simply offering EUI's insurance product amongst a range of policies offered by other insurers. I think it was down to EUI to check whether or not the questions the price comparison website was asking, effectively on its behalf, were clear enough to get all of the information it wanted to know.

Overall, I don't think it's fair or reasonable for EUI to apply a backdated premium to Mrs M's policy for 2015. And I also agree EUI should recognise that by asking Mrs M to pay an additional amount when she'd answered the question she was asked honestly, it caused her some upset and inconvenience. I agree with the adjudicator that compensation of £50 feels right.

### **my final decision**

For the reasons I've given above, my final decision is that I uphold Mrs M's complaint.

I direct EUI Limited to:

- Waive the additional amount it's asked Mrs M to pay for the 2015 policy year if this remains unpaid; or
- Refund Mrs M the additional amount she was asked to pay if she's already paid it. It must also, if this is the case, add interest of 8% simple from the date of payment until the date of settlement;
- Pay Mrs M compensation of £50.

If EUI considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mrs M how much it's taken off. It should also give Mrs M a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 3 January 2017.

Lisa Barham  
**ombudsman**