

complaint

Ms O complains that IGO4 Limited didn't process the renewal of her car insurance. This meant that she was driving without insurance for three months.

background

Ms O's car insurance policy was due for renewal on 13 January 2015. On 18 December IGO4 wrote to Ms O quoting a premium of £272.49. The letter said she didn't need to do anything unless she didn't want to renew the policy. As Ms O was happy to continue with the same insurer she didn't contact IGO4 or take any other steps to make sure she was covered.

In April 2015 she had a letter from the DVLA to say her car wasn't insured. When she contacted IGO4 it confirmed that it hadn't renewed the policy for her. It offered £50 for the trouble and upset caused. IGO4 also paid the difference between the premium quoted in its letter of 18 December (which was no longer available) and the cost of the premium on the new policy that Ms O arranged.

Ms O didn't feel this went far enough so she brought her complaint to us. The adjudicator who looked at the case asked IGO4 to increase its payment to Ms O for trouble and upset to £100. IGO4 agreed to this but Ms O still felt this didn't compensate her for the distress and inconvenience she'd had. She asked for an ombudsman to review her complaint and so it's come to me.

my findings

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

It's not surprising that Ms O feels very let down by IGO4. For three months she was driving around without any insurance. Fortunately she wasn't involved in an accident or stopped by the police during that time. IGO4 has paid Ms O the additional cost of the premium on her new policy so she hasn't suffered financial loss.

In deciding the right amount of compensation for trouble and upset, we look at the actual inconvenience caused rather than what might have happened. Since Ms O was completely unaware that she wasn't insured between January and April 2015, the upset she suffered is confined to the discovery of the problem in April and the steps she needed to take to put things right.

Ms O says that she couldn't drive for two days and had to arrange for time off work which she took as annual leave in order to sort the problem out and make sure she was insured. She also points to the embarrassment she suffered when she had the letter from the DVLA. She feels that IGO4 should have provided a written explanation of what had happened. I accept this was an inconvenient and worrying experience for Ms O. But luckily the matter was resolved quickly and without any long-term consequences. An award for trouble and upset isn't meant to punish the business but rather to recognise the upset caused when things go wrong. So I think the adjudicator's recommendation that IGO4 should increase the payment for trouble and upset by £50 is sensible and in line with the level of award this service makes in similar situations.

my final decision

I uphold the complaint in part. I require IGO4 Limited to pay Ms O a total of £100 for the trouble and upset its error caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 15 February 2016.

Melanie McDonald
ombudsman