

## **complaint**

Miss C complains that IGO4 Limited (trading as Hastings Direct SmartMiles) did not accept her no claims discount (NCD) because of which she cancelled her policy and thereby incurred charges. She seeks a refund. Miss C is represented by a family member, Mr C.

## **background**

Mr C obtained a quote for motor insurance for Miss C from an online comparison site. He then telephoned IGO4 to complete the purchase. On both occasions he disclosed that Miss C had one year's NCD. But when Miss C provided evidence of her NCD to IGO4, it did not accept it as it had been earned through an accelerated scheme. The NCD was therefore removed and Miss C's premium was increased. Because of this, Miss C decided to cancel her policy. IGO4 then charged her £210 for the installation of a telematics box. The outstanding balance was collected from the card details held on the policy but this was done in error, which IGO4 acknowledged. In recompense, IGO4 agreed to waive its £55 cancellation fee, deducting it from the amount outstanding. Mr and Miss C were also unhappy that the credit agreement had been set up in Miss C's name when Mr C was paying for the policy.

The adjudicator thought that the credit agreement had been set up correctly as Miss C was the policyholder and was therefore responsible for the payments. Although Mr C did not disclose that the NCD had been earned on an accelerated scheme, the adjudicator thought that because this was something not accepted by the underwriter, IGO4 should have highlighted it in the application. She thought that the non-disclosure was unintentional. She was satisfied that Mr and Miss C believed that Miss C had one year's NCD. She thought that had a clear question been asked at inception, Miss C would not have purchased the policy and incurred charges. The adjudicator therefore recommended that Miss C only be charged pro rata for her time on cover and the remainder be refunded plus 8% interest and that IGO4 pay her £100 for her inconvenience.

IGO4 responded that the question asked online was sufficient and clear to have prompted Mr C to query the eligibility of the NCD. It said that Miss C chose to cancel the policy rather than pay the additional premium.

It has therefore charged for time on risk on a pro rata basis, using the original premium quoted with the one year NCD, and it agreed to waive the cancellation fee. The charge of £210 was to cover the costs involved in providing and installing the telematics box. It said that this was not a cancellation charge and was confirmed as being non-refundable when the policy was purchased.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I agree with the adjudicator's view that the credit agreement was set up correctly as Miss C was the policyholder and she was therefore responsible for the payments.

I note that IGO4 has agreed to waive its £55 cancellation fee and to charge Miss C for cover up to her cancellation date at the rate first agreed. What is in dispute is the £210 charge for installing the telematics box. IGO4 says that this was not a cancellation charge and was confirmed as being non-refundable when the policy was purchased. Miss C says that if she

had known that the policy was unsuitable, then she would not have taken it out and thereby not incurred the fee. Mr C says that the policy was unsuitable because of the refusal of IGO4 to accept Miss C's one year's NCD.

The question asked online about NCD was '*How many years of no claims discount do you have? (Remember to check your eligibility with your chosen insurer)*'. IGO4 argues that it is the responsibility of the customer to query this. The customer is advised that the information that they provide will be checked and it emphasised the importance of ensuring that the information provided is correct and accurate.

Mr C disclosed one year's NCD and this was confirmed during the subsequent telephone call with IGO4. IGO4 says that Mr C should have disclosed that it had been earned though an accelerated scheme. But I am not persuaded by this argument. The letter of proof of NCD from her previous insurer says that Miss C is entitled to one year's no claim bonus, which is what was disclosed. Mr C also says that he gave the NCD proof to the fitter to check before installation of the box, as required by IGO4, and he confirmed that it was OK. I don't consider that Mr C could be reasonably expected to have disclosed that it was earned on an accelerated scheme if he was not asked this specifically.

I find that I agree with the adjudicator's view that if the accelerated scheme was unacceptable to IGO4, then it should have been highlighted to Miss C in the application. She could then have properly decided whether the policy was suitable before she purchased it. If she had known of this, I am persuaded that she would not have taken out the policy and incurred the £210 charge for installing the telematics box. It follows that I find that this charge should be refunded. I find that Miss C has had the inconvenience of having to purchase a new policy and that the payment of the outstanding balance was taken in error, therefore I consider that IGO4 should pay her £100 compensation.

### **my final decision**

For the reasons above, it is my final decision that I uphold this complaint and I require IGO4 Limited (trading as Hastings Direct SmartMiles) to do the following:

1. refund Miss C the £210 charge for the telematics box plus 8% interest from the date the charge was collected to the date the payment is refunded;
2. to charge Miss C pro rata for her time on cover, as it has offered, and that the remainder is refunded plus 8% interest from the date the outstanding balance was collected to the date the payment is refunded; and
3. pay Miss C £100 compensation for her inconvenience.

Phillip Berechree  
**ombudsman**