

## **complaint**

Mr B has complained that Brightside Insurance Services Limited failed to renew his motor policy even though he paid for it.

## **background**

Mr B's policy was due to be renewed for the third year in a row through his broker, Brightside. He received his renewal invitation and his premium was £204.28. He paid the full premium in time for the renewal of his policy in May.

In August Mr B received a letter from the DVLA and it said that the Motor Insurance Database (MIB) had no record of him being insured. He contacted Brightside. It realised that it hadn't linked his payment to his policy but by this time it could only provide a new quote for another policy. However the premium was now much higher and increased from £204 to £360. Mr B was very upset about this and wanted to think about it. When he called Brightside back to buy the policy it quoted him for he said he waited in a queue for 50 minutes and then gave up. He bought a policy elsewhere for about the same price - £360.64 - and he complained to Brightside.

Brightside upheld his complaint and said that due to a technical error his payment didn't link to his policy. It said that it would have covered him in the event of a claim. It refunded the £204.28 to him. To resolve his complaint it offered to pay 50% of the difference in premium – so £80.02 and £50 compensation. It said that if Mr B had paid any fine as a result of the notification from the DVLA, it would refund this to him subject to proof of payment.

Mr B remained unhappy as he wanted Brightside to pay the full difference that he had to pay for another policy and not just half of it. The adjudicator who investigated it agreed with Mr B and thought that Brightside should also pay him £100 compensation for the trouble and upset it caused him. But Brightside said that because Mr B had moved address between May and August, this would have affected his premium so it wasn't prepared to meet the full difference – even though it was for the same amount as the policy it quoted him for under his previous address.

So the matter has been referred 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.

Mr B paid his premium in full in time for the renewal of his policy. Brightside says that Mr B should have known that his policy hadn't renewed because he didn't get his insurance certificate and it didn't know there was a problem until he alerted them to it in August. However I think it was reasonable for Mr B to believe he was insured when he had paid for the policy in full. And I think that Brightside – not Mr B - is responsible for any failings in linking his payment to his policy. Further, his payment sat unaccounted for with no indication as to when it might have been identified – which is a further failing by Brightside.

Brightside offered to pay Mr B half of the extra premium he had to pay because it couldn't offer him a policy for the same price as he paid in May. It isn't prepared to pay the full difference in premium because Mr B's policy with another insurer shows a different address, so it's not a "like for like" policy.

But I think this misses the point. The difference in address doesn't change the fact that Mr B's premium was about £160 more expensive from May to August – as Brightside's quote was for the same amount based on his former address. And I don't think it's fair or reasonable that Mr B should have to pay any more for his motor policy when he did nothing wrong.

I don't think that Brightside's offer to pay half of the difference in premium goes far enough to put things right. So a fair outcome would be for Brightside to pay Mr B the difference in full and it should compensate him for £100. I've no doubt that that Mr B was caused unnecessary upset when he received a letter from the DVLA to say that he wasn't registered as being insured - and it was further upsetting for him to have to pay almost twice as much for a motor policy through no fault of his own.

### **my final decision**

For the reasons I've given above, my final decision is that I uphold this complaint and I require Brightside Insurance Services Limited to do the following:

- Pay Mr B £160.36 as the difference between his renewal premium in May to the premium he paid for his motor policy in August.
- Add interest to the £160.36 from the start date of the August policy to the date it pays him at a rate of 8% simple interest per year.
- Pay £100 compensation for the trouble and upset caused – so a further £50 compensation if it has already paid £50 to Mr B.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 April 2016.

Geraldine Newbold  
**ombudsman**