

complaint

Mr M and Miss M are complaining U K Insurance Limited (UKI) changed the wrong car on their car insurance policies which meant Miss M was stopped for driving without insurance.

background

Mr M and Miss M had two car insurance policies through UKI to insure two different cars. Mr M was the policyholder on one policy and Miss M was the policyholder on the other policy. In February 2018 Mr M called UKI to do a temporary change of car on Miss M's insurance policy because they'd sold the car. He asked to add a car he owned to the policy until they bought Miss M a new car. In March 2018 he called to add the new car to the policy.

Miss M was later stopped for driving without insurance and the car was impounded. Mr M says he had to pay £190 to take the car out of the police compound. And he says the police are looking to prosecute Miss M for driving without insurance.

He then called UKI to ask for a copy of the call recording for when he first changed the car, but UKI said that it didn't record correctly. Mr M then complained to UKI about what happened. He says that he spoke with a foreign call centre who struggled to understand his accent. And he says it appears she changed the car on the wrong policy.

UKI didn't think there was anything to show it had made a mistake as the call recording wasn't available. And it says that it sent new policy documents to Mr M which showed which policy number the car was insured on.

Our investigator upheld the complaint. He thought it was most likely that Mr M gave the correct information and it was UKI who made the mistake. He also noted that the registration numbers on the two cars insured were similar, which is where he thought the mistake arose. So he said UKI should:

1. Pay Mr M and Miss M £500 to cover the cost of impound charges and to compensate them for the error; and
2. Provide a letter of indemnity confirming an error to Mr M and Miss M so they can challenge any points that may be applied.

UKI didn't accept the investigator's findings. It reiterated that it sent new policy documents to Mr M and it was Mr M's responsibility to ensure they were correct. As UKI didn't agree, the complaint's been passed 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.

I've decided to uphold this complaint and I'll now explain why.

Mr M says that he called UKI to change the car on one of the policies. But he says that the call handler had difficulty understanding him which he thinks meant that she changed the car on the wrong policy. As the call recording isn't available, I can only go on what I think is most likely.

I find Mr M's testimony on this plausible and persuasive. I think it's most likely that the call handler misunderstood Mr M's request and changed the wrong car. It's clear that Mr M would have known which car he would have wanted to change. So I think it's unlikely he would have given UKI incorrect information. So I think it's *most* likely that the mistake was made by UKI.

I note UKI's comments that it sent out paperwork to Mr M saying which car was now insured. But this doesn't say which car was taken off the policy. So I don't think it would have been clear to Mr M that UKI had changed the car on the wrong policy. So this doesn't change my decision.

So I think UKI should cover the costs Mr M and Miss M have incurred and will incur in recovering his car and in defending the potential prosecution. It also needs to compensate them for the trouble and upset this matter has caused them.

my final decision

For the reasons I've set out above, it's my final decision that I uphold this complaint and I require U K Insurance Limited to do the follow in settlement of the claim:

1. Refund the cost Mr M and Miss M incurred in releasing the car from the policy compound. It should pay 8% simple interest on this from the date they paid it until they get it back*;
2. Refund any legal reasonable costs that Mr M and Miss M have incurred or will incur in defending the police prosecution. It should also pay 8% simple interest on any costs incurred from the date they paid it until they get it back*;
3. Pay £300 in compensation for the distress and inconvenience this matter has caused them; and
4. Provide a letter of indemnity confirming an error to Mr M and Miss M so they can challenge any points that may be applied.

*HM Revenue and Customs requires UKI to deduct basic rate tax from this interest. But it should give Mr M and Miss M a certificate showing how much tax they've taken off if they ask for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss M to accept or reject my decision before 28 October 2018.

Guy Mitchell
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