

complaint

Mr E has complained that Brightside Insurance Services Limited renewed his car insurance policy for the wrong car. Mrs E, a named driver, was stopped by police for driving uninsured. She's assisting her husband in his complaint.

background

Mr E bought a car insurance policy through a broker, Brightside in 2017. In July 2018 he changed his car and told Brightside. Mr E's policy was updated. In October 2018 Mr E's policy was due for renewal. He discussed his renewal quote with Brightside. The agent incorrectly renewed his policy using the older car's registration details.

Mrs E was stopped by police in February 2019 for driving uninsured. Mr E checked the policy and realised the error. He complained to Brightside. Mr E accepted that he didn't check his documents. So he didn't notice the error until after his wife was stopped by police.

In April 2019 Brightside said that although it was an error by them, Mr E didn't check his documents – so it said it wouldn't provide a letter of indemnity (from the insurer). It agreed to waive a mid term adjustment fee it charged for updating the policy with the correct car registration details in July 2018.

Brightside said it would consider any fines incurred as a result of being stopped by police, subject to proof.

Mr E asked us to look at their complaint.

In July 2019 our investigator asked the insurer of the policy to provide a letter of indemnity for Mrs E. They did this.

Our investigator recommended the complaint should be upheld. Mr E had contacted Brightside in October 2018 and changed his car. He'd paid an administration fee for the change. A call recording provided by Brightside showed that the agent – at renewal – read out the previous car registration details during the call. Mr E didn't correct the agent. But the investigator didn't think it was fair for the onus to be on Mr E to correct the error made by the agent.

He recommended Brightside pay £250 compensation for the distress and inconvenience caused.

Brightside didn't agree. It said it hasn't received any proof Mrs E was stopped by the police. And it contacted the insurer and asked them to provide a letter of indemnity but they'd refused. Brightside therefore doesn't agree that it should pay any compensation as there's no evidence Mr or Mrs E suffered any detriment. It believes its decision to waive the administration fee from July 2018 is enough to put things right.

So the case has 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.

Since the investigator issued his view, Mrs E has told us that no action was taken against her as the letter of indemnity provided by the insurer in July 2019 was accepted. This is welcome news.

Mrs E has provided us with a copy of the notice she received from the police when she was stopped which we have sent to Brightside. She said she was on her way to pick her children up from school. Mrs E said the officer instructed her to obtain one day insurance which she did so that she could continue driving. Mrs E said it was an upsetting and humiliating experience.

I appreciate that Mr E should have read his policy documents after renewal in October 2018. But I think it was reasonable for him to expect the car that was insured was the one he'd updated Brightside with in July 2018. It was Brightside's error and so I think it's unfair to place the onus on Mr E for not noticing its mistake. He continued to pay for insurance for a car he told Brightside he wanted to insure since July 2018.

So I can understand how upsetting it must have been for Mrs E to have been stopped by police - and for Mr E to discover that he and his wife had been driving uninsured. I've no doubt the prospect of possible court action has caused Mr and Mrs E worry and distress.

So I think it's fair and reasonable for Brightside to pay compensation for the distress it's caused. Fortunately Mr E's car wasn't seized by the police. And no further action has been taken. For these reasons, I agree with the investigator's recommendation of £250 compensation.

The investigator has let Brightside know that I also think it should reimburse Mrs E for the cost of the one day insurance she paid, which Mrs E has provided proof of. I think it should pay interest on the cost of the insurance at a rate of 8% simple interest from the date Mrs E paid it to the date Brightside reimburses her. Brightside hasn't provided any further comment.

my final decision

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

- Pay Mr E £250 compensation for the distress and inconvenience caused.
- Reimburse Mrs E for the cost of the one day insurance. I think it should pay interest on the cost of the insurance at a rate of 8% simple interest a year from the date Mrs E paid for it to the date it reimburses her.

Brightside Insurance Services Limited must pay the compensation within 28 days of the date on which we tell it Mr E accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 6 December 2019.

Geraldine Newbold
ombudsman