

complaint

Mr R has complained that Ageas Retail Limited's service to him was poor when he told it a motor policy had been taken out in his name without his knowledge.

background

Ageas, the broker, received a call from a person who used Mr R's name and address to buy a motor policy. This person paid a deposit and gave Ageas bank details to pay the remaining monthly instalments. An indemnity claim was later made by the bank for the deposit so the motor policy's premiums became outstanding. The bank account wasn't Mr R's.

Ageas requested the outstanding payments from Mr R. But he told it that he never bought the policy and he didn't own the car that was quoted under the policy. Although Ageas said it would investigate the matter, and later told him he didn't owe it any money, it continued to write to him chasing for payment and eventually passed his details to an external agency. It didn't tell him the outcome of its investigation and in the meantime, Mr R reported the matter to the police.

The insurer didn't initially agree to cancel the policy, but after discussion with a manager at the insurer, the policy was cancelled as if it never existed.

Mr R complained to Ageas. He was unhappy with how long it took to investigate the matter. Ageas apologised to Mr R and told him that his credit rating wouldn't be affected by the payments under the cancelled policy. It paid Mr R £50 to compensate him for the trouble and upset it caused him.

Mr R remained unhappy so he brought his complaint to us. He didn't think £50 was enough to compensate him for the upset Ageas had caused him. He said that he and his wife wanted to buy a house during this time and he was worried that his credit rating might be affected. He felt that £750 was a more reasonable amount to compensate him.

The adjudicator who investigated his complaint recommended that it should be upheld. She was of the view that Ageas had provided poor service to Mr R, but that it wasn't at fault for accepting the policy or for the insurer's initial decision to refuse to cancel the policy as if it never existed. But she thought that Ageas should increase its compensation payment to £200 in total for failing to promptly and properly investigate the matter when Mr R first contacted it in March.

Ageas agreed to pay a further £150 to Mr R. Mr R didn't agree and asked the adjudicator to seek a further £700 from Ageas, which she did. But it didn't agree to pay this. 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.

Ageas wrote to Mr R twice after it received an indemnity from the bank for the return of the deposit paid under the policy. Mr R told Ageas in March that he didn't set up a policy with it and he didn't own a vehicle as described under the policy either. Despite being told by Ageas that it would investigate the matter, it sent him a policy cancellation letter two weeks later. This letter requested an outstanding balance of £343.37. I think Ageas was unreasonable to Mr R when it sent this letter when it was still investigating the sale of the policy.

Mr R called Ageas several times over a period of three months as it continued to write to him requesting payment. Each time Ageas said that the matter was still being investigated. Ageas also told Mr R that it was going to listen to the original call recording when it sold the policy. However, in May Mr R called Ageas again and he was then told that he didn't owe any money and the policy had been cancelled. Ageas also wrote to Mr R to confirm this.

Understandably Mr R thought its investigation had concluded and he didn't expect to hear anything further. But Ageas passed Mr R's details to an external agency who then continued to write to Mr R requesting the payment. I think Ageas caused Mr R some upset when he received these letters as Ageas had assured him that the policy had been cancelled and he didn't owe any money.

In May the insurer asked Ageas to find out if Mr R had requested the indemnity claim from the bank, but there's nothing to show that Ageas replied to the insurer. It wasn't until July – two months later - that Ageas listened to the call from the sale of the policy because the insurer asked it to. This was when Ageas confirmed it wasn't Mr R who had made the call to buy the policy. However the insurer still didn't agree to cancel the policy until it discussed the matter further with a manager. The insurer eventually cancelled the policy in Mr R's name as if it never existed.

To put things right, Ageas apologised to Mr R and paid him £50 compensation. It assured him that his credit rating wasn't affected by its requests for payment.

I think Ageas's resolution to Mr R's complaint was fair and reasonable apart from the amount of compensation it paid him. I think that £150 in addition to the £50 compensation it has already paid Mr R is a reasonable amount for the trouble and upset that Mr R was caused. I think it caused further unnecessary upset to Mr R by continuing to send letters to him when he told it he hadn't bought the policy and it was investigating this. If it had listened to the call recording of the sale of the policy in March, instead of July, it wouldn't have put Mr R to further upset over a period of four months, which I think was unreasonable.

I don't think that Ageas owes Mr R compensation for the upset caused by the setting up of the policy itself. Ultimately this was caused by the actions of a third party and Ageas accepted the details in good faith. And it isn't responsible for the insurer's initial decision in July not to cancel the policy, which caused a further delay.

Mr R says that £200 isn't enough because he lost out on buying a property because of Ageas. However he hasn't provided anything to show this and Mr R's credit rating hasn't been affected. So I think that £200 total compensation is fair and reasonable, and in line with awards which we make, which is available on our website.

my final decision

For the reasons given above, my final decision is that I uphold Mr R's complaint and I require Ageas Retail Limited to pay Mr R a further £150 compensation for the trouble and upset it caused him, in addition to the £50 it has already paid him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 14 December 2015.

Geraldine Newbold
ombudsman