

The complaint

Miss B complains that the system used by Wrisk Transfer Limited, an insurance intermediary, prevented her from applying for a free motor insurance policy for her new car.

What happened

The manufacturer and the dealership that sold Miss B her vehicle ran a promotion that allowed any consumer who bought a brand-new car to apply for a year's free insurance. The promotion said applications would be subject to terms and conditions, plus eligibility.

Wrisk administered the scheme for the insurer. But Miss B said when she tried to complete the application on Wrisk's website, she was unable to do so. Wrisk told her its system relied on a national database to populate consumers' addresses automatically online. Miss B only had a correspondence address, as her house was still under construction, and it wasn't on the national database. It couldn't be added until the house was ready to occupy. Wrisk said it couldn't complete the address manually – it had to be done automatically from the database.

Miss B argued that she had documents such as her driving licence and utility bills that showed the correspondence address. But Wrisk said its terms and conditions meant that eligibility checks must be made based on the address provided by the database.

One of our investigators reviewed Miss B's complaint. She thought Wrisk had acted reasonably. She said it had contractual obligations to the insurer and that eligibility for the insurance depended on Wrisk's standard identification checks. Miss B said Wrisk's system was inadequate and that she'd had no problems getting insurance elsewhere. In her opinion, she'd satisfied the eligibility criteria, as she'd provided evidence of her identity.

As there was no agreement, the complaint was passed to me for review.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We can't instruct insurers or intermediaries what systems or processes to put in place. So if Miss B is unhappy about how Wrisk operates its business, and its use of the national database, she'd need to contact the industry regulator (the Financial Conduct Authority). The house under construction wasn't on the database because residential postcodes aren't available for use until a property is ready for occupation. And it seems the correspondence address was Miss B's former house, which had been demolished. My understanding is that when a property is demolished, its postcode is normally deleted from the national database, and Wrisk says Miss B told it she'd removed the old address. Mail can still be delivered to an address without a postcode, but unfortunately Miss B found herself in a situation where the database didn't show either her old address or the one under construction.

Miss B's evidence of identity shows she lived at the old address. And she bought insurance from a major insurer using that address after she was unable to complete Wrisk's application. She thinks that shows Wrisk acted unreasonably. But insurers and intermediaries are entitled to decide which checks to carry out. The insurer Miss B got her cover from may not have used the national database to populate its documents or to verify her identity. Some insurers use a driving licence check instead, for example.

Although I understand why Miss B thinks the fact that she was able to buy new insurance elsewhere supports her case against Wrisk, I don't think it does. The opportunity to apply for free insurance- in line with the manufacturer / dealership's promotion - was dependent upon Wrisk, as the insurer's administrator, being able to carry out identification checks through its system. I think it was made clear that terms and conditions and eligibility requirements applied to the offer, and that this was shown before an application could be made.

Through no fault on her part, Miss B couldn't comply with the necessary requirements, so she thinks Wrisk should have taken alternative steps to verify her identity. Wrisk's system didn't allow it to add an address manually (which in my view doesn't mean it was inadequate) and the terms and conditions didn't include using other means of identification. I understand Miss B's frustration with the situation, but don't think Wrisk was required to step outside the clear (and in my opinion, reasonable) arrangements it had in place.

I think Miss B's circumstances were unusual, and that the timing of events was very unfortunate. I appreciate that she must have been very disappointed by what happened, and I sympathise. But I don't think Wrisk acted unreasonably, so I can't uphold her complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 22 February 2024.

Susan Ewins
Ombudsman