

## **The complaint**

Mr W has complained about the service provided by Brightside Insurance Services Limited when he took out a Van Insurance policy to cover a van he was buying and when he cancelled a policy he had for an existing van.

Brightside operated under a trading name. But, for the sake of ease, I've referred to Brightside in this decision.

## **What happened**

Mr W's partner, who I'll refer to as Miss B, did a quote online for a van Mr W was buying. She couldn't complete the quote online, so she telephoned Brightside. She spoke to one of its agents. He found the quote. Miss B said she may have had a problem because she was trying to add a claim which was made against her policy. The agent said she didn't need to add the claim if it was against her policy, if she wasn't going to be a named driver under the new policy Mr W was taking out. Miss B confirmed she wasn't going to be a named driver, so the agent removed the claim from the quote and said it made no difference to the premium.

The agent explained that it wouldn't be possible to use a no claim discount (NCD) that was in use on another policy. Miss B explained that Mr W had another van that he was about to sell and his NCD was in use on the policy covering this van. The agent confirmed it couldn't be used on the new policy and this would be set up with a zero no claim discount. And he set the policy up for Mr W and arranged for the policy documentation to be sent to him to check.

Just over two weeks later Mr W called Brightside to cancel the policy for the other van, which he'd sold, and transfer the NCD for it on the policy for his new van. The agent he spoke to said he couldn't transfer the NCD as the cooling off period on the new policy had expired. Mr W explained that Miss W had been led to believe that he would be able to do this and the previous agent hadn't mentioned a time limit. Mr W said he wanted to make a complaint about this and the agent said she'd log this and the call with the previous agent would be listened to.

Mr W also found later that he should have declared a claim for an accident he'd had under Miss B's policy while driving her car when he took out his new policy. And because he hadn't he had to pay a further £210.39 now that the record of the claim had been added to the policy. Mr W paid the extra amount, but wasn't happy about it. So, he made a further complaint about this. He also complained about the length of time it took Brightside to cancel the policy for the van he sold.

Brightside issued two final responses on Mr W's complaints. It said that the policy for the van Mr W had sold should have been cancelled much earlier. It backdated the cancellation and provided Mr W with the appropriate refund. And it offered him £100 in compensation for the poor service it had provided. Mr W didn't accept the compensation and it wasn't paid to him.

Brightside said that Mr W should have declared the claim for the accident under Miss B's policy and that the extra premium charged was correct. It also said that, while the NCD had

been transferred to Mr W's new policy, it wasn't possible to protect it. And it explained that this was the insurer's decision. Brightside also explained that adding the NCD to Mr W's new policy didn't result in a refund of premium.

Mr W wasn't happy and asked us to consider his complaint points.

One of our investigators did this. She said that Mr W should have told Brightside about the claim he'd had while driving Miss B's car when he received the policy documentation and it wasn't shown on it. And she was satisfied that the claim was correctly added, which resulted in an additional premium. She noted Brightside had now managed to apply the NCD, but didn't think she could reasonably ask Brightside to retrospectively add protection for it. She did however acknowledge Brightside had provided a poor service in some respects, but felt the £100 it had offered in compensation for this was adequate.

Mr W wasn't happy with the investigator's view. He said he wasn't concerned about the NCD protection, but felt the premium should have been lower when it was applied to his new policy. This was because Miss B was told on the call when she took out the policy the premium was higher because of the fact there was no NCD. Mr W also said he'd never received the compensation Brightside had offered. Plus, he mentioned he was expecting interest on the refund of premium following the late cancellation of his existing policy.

The investigator responded to explain that Brightside had told her that the premium for the policy Mr W took out had been provided with a full NCD, even though one wasn't actually shown on the policy documentation and this was why there wasn't a refund when the NCD was actually added. She explained she could only provide more information about the premium for the policy originally and the extra premium when the claim was added if Mr W directed a complaint to the insurer. She also explained Mr W would need to raise the interest issue with Brightside. And she said if he accepted her view she'd ask Brightside to pay him the £100 in compensation.

Mr W still wasn't happy and asked for the case to be put forward for an ombudsman's decision. I reviewed the complaint and spoke with Mr W about it. And I explained I'd issue a provisional decision.

I issued my provisional decision on 25 January 2024 and set out what I'd provisionally decided and why as follows:

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

*I think Brightside's agents have made several errors which have led to a financial loss to Mr W and quite significant distress and inconvenience. And I've provisionally decided he needs to be compensated accordingly. I've explained why below.*

*When Miss B did the quote online she included the claim for the accident Mr B had had which resulted in a claim under her policy. So, when she mentioned it to the agent I think he should have checked whether this was because Mr W was driving her car at the time. I think the fact he didn't and simply assumed Miss B was driving meant Miss B agreed to the claim being removed, not realising it needed to be included because Mr W was the driver. This eventually led to Mr W being charged an additional premium of £210.39. However, it is clear from what the agent said on the call that if the claim had remained on the quote the premium would have been the same. I say this because he clearly said in the call that when he removed the claim the premium didn't change. This means the agent's error resulted in Mr W having to pay £210.39. I say this because it is clear if the claim had remained on the quote he would have paid the same premium. So, I think it is fair and reasonable for*

*Brightside to refund this amount.*

*I also think the agent should have made it clear to Miss B that if Mr W wanted to transfer his NCD from his existing policy he'd need to do this within the cooling off period. I think if he'd done so Mr W would have made sure he sold his other van in this period or taken it off the road and cancelled his existing policy. It's good that Brightside was able to arrange for the insurer to allow the NCD to be added retrospectively. And the reason this did not result in a refund of premium is because the premium Mr W was charged reflected a full NCD, despite it not being noted on the policy documentation. This was because he had an existing policy with the insurer through Brightside and it matched the discount on it as he was an existing customer. However, the fact the agent didn't explain the need to transfer the NCD in a set period clearly caused Mr W unnecessary distress and inconvenience.*

*It is not clear whether the insurer would have allowed Mr W to protect his NCD if he had transferred it in the cooling off period. But it seems likely it would have allowed this. And – if it would not have allowed it – Mr W would have had the option to cancel the new policy he'd taken out at a nominal fee and take out a new one with a protected NCD. So, I think the fact he wasn't able to protect his NCD as a result of another error by Brightside's agent clearly caused him further distress and inconvenience.*

*Brightside's other agent made an error when she left Mr W's existing policy running after he'd sold his van. She should have cancelled it and not left it running simply because Mr W had complained. It's good that Brightside was able to backdate the cancellation and provide an appropriate refund. But this again caused Mr W distress and inconvenience. I also appreciate Mr W was without the refund amount for a period and has mentioned getting interest on it. But our normal rate of interest is 8% per annum simple and this would mean he would only be due around £2 in interest. So, I don't think it is worth making Brightside pay such a small amount.*

*However, I do think Brightside needs to pay Mr W more than £100 in compensation for distress and inconvenience. I've mentioned above the various things that caused him distress and inconvenience and I think overall the level of distress and inconvenience was quite significant. So, I think compensation of £200 is more appropriate.*

I gave both parties until 8 February 2024 to provide further comments and evidence. Mr W replied to say he was happy to accept my provisional decision.

Brightside responded to my provisional decision with the following further comments:

- It has pointed out that the claim the agent removed, which was on Miss B's policy, but when Mr W was driving the insured vehicle as a named driver, was actually entered incorrectly online by Miss B as a claim that didn't affect her no claim discount (NCD). This meant it had no impact on the premium and therefore made no difference when the agent removed it. This means the premium Mr W was charged was wrong and it was correctly increased when the claim was added to his policy.
- It does not feel its agent simply assumed Miss B was driving in the incident that gave rise to the claim under Miss B's policy. And that there was plenty of opportunity for Miss B to make it clear Mr W was driving.
- The cooling-off period had no bearing on when the NCD from Mr W's existing policy could be transferred. It simply couldn't be used on two policies at the same time and therefore could not be applied to the new policy Miss B took out for Mr W. And it was the insurer's decision to allow it to be used on the new policy later on, although it was not obliged to do so. However, it can't comment on why the insurer wouldn't allow Mr W to protect it.

Having reviewed Brightside's comments I spoke with Mr W and emailed him to explain that I felt the claim Miss B had entered online should have been entered as a claim that affected her NCD, but she incorrectly entered it as one that did not. And that, in view of this, I didn't think it was appropriate for me to make Brightside refund the extra premium Mr W had paid when the claim was added. Mr W has responded to say that he would be willing to accept this as part of the outcome if I consider it appropriate.

### **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.

I've noted Brightside's comments and, as I explained to Mr W, I do think Miss B should have put the claim against her policy when Mr W was driving in the quote online as one that had affected her NCD, as the information about this on the quotation screen made it clear she needed to do this. She didn't and this meant the premium Mr W was quoted and that didn't change when the agent removed the claim was incorrect. It should have been higher and would have gone down when the agent removed the claim if it had been noted as one that had affected Miss B's NCD. This means that the extra premium Mr W was charged was appropriate and the agent's unclear explanation about the disclosure of the claim didn't cause any financial loss to Mr W. So, I agree with Brightside that it should not have to refund the extra premium.

I do still think the agent should have been clearer on the fact that Miss B needed to declare any claim under her policy when Mr W was driving. And the fact he didn't did caused Mr W distress and inconvenience. I say this because he ended up having to pay the extra premium when he wasn't expecting to.

I also appreciate Brightside's point that the cooling off period had no bearing on whether the NCD from Mr W's existing policy could be transferred. But I think if the agent had clearly explained that it would not be possible to transfer the NCD later Mr W would have cancelled his existing policy and taken his other van off the road. And he could then have used the NCD on his new policy and protected it. And this would have meant he would not have had the distress and inconvenience of being told he couldn't transfer it initially or protect it.

In view of the distress and inconvenience Mr W experienced, including the distress and inconvenience due to the late cancellation of his previous policy, I'm satisfied that the compensation of £200 I suggested in my provisional decision is appropriate as the fair and reasonable outcome to his complaint.

### **Putting things right**

For the reasons set out above I've decided to uphold Mr W's complaint and make Brightside pay him £200 in compensation for distress and inconvenience.

### **My final decision**

I uphold Mr W's complaint about Brightside Insurance Services Limited and order it to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 March 2024.

Robert Short

**Ombudsman**