

The complaint

A company, which I'll refer to as B, complains that Well Dunn Limited trading as Well Dunn Insurance Revolution Services (Well Dunn) delayed adding its vehicle onto its motor fleet insurance policy.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

B took out a Motor Fleet Insurance policy through its broker, Well Dunn. On 23 January 2023, B contacted Well Dunn to make a mid-term adjustment. B asked to add a new vehicle onto its fleet insurance policy and to remove an existing vehicle. Two days later, on 25 January 2023 B's vehicle was stolen, so it made a claim on the policy. The insurer declined B's claim as the cover for this vehicle hadn't started until 27 January 2023 and so the vehicle was uninsured at the time of the theft.

B complained that the cover should have been put in place sooner by Well Dunn. However, there was an unreasonable delay, resulting in the vehicle being uninsured at the time of loss.

Well Dunn said they contacted the insurer about adding the vehicle on cover. However, due to some delays between them and the insurer, the cover didn't start until 27 January 2023. They argue that they told B the cover hadn't started and confirmed when cover was in place.

Our Investigator recommended that B's complaint should be upheld. He explained that if Well Dunn had actioned a vehicle change on B's policy without any delays, the cover would have been in place at the time the vehicle was stolen. He recommended that Well Dunn reimburses B for the loss it has incurred as a result of its delay in starting the cover, as well as compensation for the inconvenience caused by the matter.

Well Dunn didn't agree with our Investigator. They said while they agree there were delays in obtaining a quotation, they do not feel their actions led to the claim not being covered. Well Dunn maintained that they didn't confirm cover was in place and B knowingly left the vehicle uninsured while they were trying to obtain a quote.

Well Dunn didn't accept our Investigator's findings and so the complaint has been passed to me to decide.

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 want to assure both parties that I've read and carefully considered everything they've said but I won't comment on everything. This is not intended as a discourtesy, but a reflection of the informal nature of the Ombudsman Service.

I'm considering this complaint against Well Dunn, the client facing broker during the sale and amendment of the policy. So, I am only considering Well Dunn's actions in relation to the matter and any loss caused as a result their action. That means I'll consider if they met their obligations as a broker. But I won't consider whether or not the claim has been declined correctly because that responsibility lies with the insurer.

I therefore need to decide whether Well Dunn have acted fairly and reasonably when taking instructions from B to add a new vehicle onto its fleet insurance policy. Having reviewed everything available to me, overall, I don't think they did. I'll explain why.

The crux of this complaint centres on B's vehicle being uninsured when it was stolen on 25 January 2023. B says that Well Dunn unreasonably delayed adding its vehicle on to its fleet policy and that it followed a lengthier, incorrect process with the insurer. B argues that if there weren't any delays and Well Dunn had followed the correct process, its vehicle would have been insured and claim met by the insurer.

I have listened to all the calls which took place between B and Well Dunn relating to this matter. It is clear that B asked for an existing vehicle from the policy to be removed and the vehicle in question to be added on to the cover. The call handler confirms that there won't be a charge for this mid-term adjustment as per what was agreed with B at inception. He also says that Well Dunn will contact the insurer and will get back to B.

I note that B called Well Dunn for an update later the same day, and it was informed that the insurer hadn't responded yet, but Well Dunn would inform B when they had. The call handler said it could take up to 24 hours. I think at this point it was reasonable for B to expect that the insurer would have responded by the following day.

It is evident from the emails between Well Dunn and the insurer that Well Dunn had requested for a quote to add the new vehicle onto the policy. The insurer confirmed to the Ombudsman Service that a change request would have been sufficient, and a quotation wasn't required. In any event, when Well Dunn sent the request to the insurer, they didn't provide the policy number and after some back and forth over a couple of days, Well Dunn eventually provided the policy number as required by the insurer on 26 January 2023. Due to a quotation being raised, the insurer need confirmation of starting the cover and this was completed on the same day as the quotation being raised – 27 January 2023.

I don't think it was unreasonable for the insurer to request a policy number when making such changes to cover. I also think Well Dunn ought to have known that it would have been required and they should have provided it from the outset. Failing that, at the very least, they should have had access to the information so they could provide it when it was requested by the insurer. If it was provided in a timely manner when the insurer requested it in on 24 January 2023, I'm satisfied from what the insurer has said about the required timescales that this vehicle could have been added on to the policy by 25 January 2023. The vehicle would have therefore been insured when stolen.

The insurer also commented on Well Dunn incorrectly requesting a quotation rather than a change request. As noted by our Investigator, Well Dunn didn't indicate at any point in the first call with B that they had requested a quote from the insurer to add the new vehicle onto the policy. However, I don't think this has necessarily contributed to any delays because as our Investigator said, the cover was in place on the same day the quote was provided. Ultimately the delay in the cover starting was as a result of the insurer not having the policy number which they've confirmed would've been required irrespective of the type of change requested.

Overall, I'm satisfied that Well Dunn caused an unreasonable delay in adding B's vehicle on to the fleet insurance policy, which resulted in B's vehicle being uninsured at the time of loss. This had a significant financial impact on B with no indemnity for its losses. B has had to continue making payments towards the finance agreement taken out to purchase the vehicle. I'm persuaded that Well Dunn is responsible for this loss and therefore needs to take steps to rectify it.

B's policy states in the event of a loss, the insurer will pay the market value immediately before the loss. The policy terms also say that any payment by the insurer would go directly to the finance provider. However, in this situation, Well Dunn doesn't have a contractual obligation towards the finance provider, so I think it's sufficient for Well Dunn to reimburse B for its consequential losses, and then for B to settle this directly with its finance provider.

Our Investigator checked three valuation guides to determine the value of B's vehicle. The valuations from three guides ranged from £10,409 to £12,422. As well as these guides, I have also given consideration to the fact that B had only recently purchased the vehicle. B paid £13,194. In line with the Ombudsman Service's approach, it would be considered fair to pay the highest value obtained unless there is reasonable evidence to suggest the value should be different. The price B paid for the vehicle isn't unreasonably more than the highest value from the valuation guides. In the circumstances, as B only had the vehicle for a few days before it was stolen, I consider it fair for Well Dunn to compensate B for the price it paid for the vehicle, £13,194.

I have also carefully thought about the financial impact and inconvenience caused to B as a result of this loss. As B has not been indemnified for its loss and has had to continue paying the finance agreement it took out for the vehicle, I think Well Dunn should pay interest at 8% simple per annum on the cost of the vehicle. I'm also in agreement with our Investigator that Well Dunn should pay £250 compensation in recognition of the inconvenience caused by this matter.

My final decision

My final decision is that I uphold this complaint.

I now require Well Dunn Limited trading as Well Dunn Insurance Revolution Services to take the following action:

- Pay B £13,194 for the cost of the vehicle. Pay 8% simple interest on this amount from the date of the loss (25 January 2023) to the date of payment.
- Pay B £250 compensation for the inconvenience caused by this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 27 September 2024.

Ankita Patel
Ombudsman