

The complaint

Mr D has complained that Davies MGA SERVICES LIMITED (Davies) – acting as the administrator on behalf of the insurer - failed to respond to his request for information about what to tell future insurers when it told him it couldn't offer renewal terms for a car insurance policy.

What happened

Mr D bought a car insurance policy through Davies which was due for renewal in November 2022. Mr D's son was a named driver under the policy.

In October 2022 Davies told Mr D it wasn't able to offer renewal terms for car insurance. Mr D emailed Davies on 26 October 2022. He asked for more information about two claims recorded against the policy involving his son. And he asked Davies how he should answer questions about having ever had insurance declined or cancelled, in light of not being offered a policy at renewal.

On 27 October 2022 Mr D received a response from a company acting on behalf of the underwriter which I'll refer to as 'B' for ease in my decision. This response provided some information about one of the claims.

Mr D responded to B and copied in Davies on 28 October 2022. He said the response didn't answer his questions.

Mr D didn't receive a reply and so he emailed a complaint to Davies on 12 November 2022. He was unhappy about the lack of information he received about the claims, and the way they had been recorded.

In May 2023 Mr D contacted us as he hadn't received a reply to his complaint. Our Investigator contacted Davies.

In July 2023 Davies said it had forwarded Mr D's complaint to B as his complaint was about the claims recorded under the policy. It says B is a separate company acting on behalf of the underwriter of the policy. Davies asked if Mr D wanted to raise a complaint about the renewal of the policy, and if so, it would treat this as a new complaint.

Mr D explained that his complaint isn't about the renewal, but about not receiving any response to his enquiries.

On 28 July 2023 Davies provided this service with a copy letter to forward to Mr D. In this letter it apologised to Mr D for failing to answer his questions about whether he would need to declare a cancellation or avoidance because of not being offered renewal terms, and his question about his son's NCD.

Davies said it provided a response to Mr D on 27 October 2022 which it accepts wasn't helpful as the response said it couldn't answer his queries.

Davies went on to answer Mr D's questions and said it had forwarded Mr D's complaint from 12 November 2022 about the claims to B.

Davies offered a payment of £50 to Mr D and asked him to provide his bank details. In August 2023 our Investigator issued his view. He thought Davies had now offered enough to put things right as it accepted it had failed to answer Mr D's questions in October 2022 and instead passed his emails to B.

Mr D didn't accept the Investigator's view. He said he had no record of a reply from Davies dated 27 October 2022 and asked for a copy. Mr D said it isn't reasonable for Davies to have taken ten months to answer his questions – and he still hadn't received a response to his complaint about the claims from B. He provide this service with a copy of an acknowledgement of his complaint from B dated 31 July 2023.

Mr D wants £250 compensation. He says he had to spent a significant amount of time dealing with Davies and it was a very frustrating experience.

The case was passed to me to decide. I asked for evidence from Davies to show when it had forwarded Mr D's complaint to B to determine if it had acted promptly.

Davies provided a copy email it sent to Mr D on 15 November 2022 where it said it had forwarded his complaint to B. It says it cannot provide a copy of the email it sent to B, but has provided a screenshot of a note (undated) which says Davies passed Mr D's email to B.

This service has set up a separate case for Mr D's complaint against B. As B is a separate business, any actions by them will not form part of my decision about Davies.

I issued a provisional decision on 1 February 2024. My provisional findings were:

“As the administrator of the policy and the contact for Mr D's enquiries, I think Davies should have promptly answered Mr D's reasonable questions in October 2022 and signposted his questions about his claims to B.

From the timeline and evidence provided, Davies passed Mr D's initial enquiry to B without answering his queries about how to answer a question about having had a policy declined – and his son's NCD. It's clear from Mr D's subsequent emails – and from the fact he had to contact this service – that he was put to avoidable and unnecessary inconvenience in order to have a straight forward enquiry answered by Davies.

It's not clear to me that Davies forwarded Mr D's complaint to B promptly as I have nothing to show when this was done. Davies told Mr D in an email dated 15 November 2022 that it had forwarded his complaint.

As Mr D received an acknowledgment to his complaint from B in July 2023, this shows me that at some point this was forwarded – but in the absence of evidence to show Davies dealt with Mr D's correspondence in a timely manner, I think this is poor service in addition to the unreasonable delay in responding to his queries.

As I've said, I cannot comment on the actions of B here as that is being investigated separately.

Mr D initially asked for a refund of his insurance premium, which the Investigator didn't agree with as a resolution to his complaint. Mr D accepts this. I agree with the Investigator on this point. As Mr D had use of the policy, he isn't entitled to a refund.

But I think the delay caused by Davies in failing to respond to his reasonable request for information – which he asked for to ensure he answered questions about future insurance correctly – was considerable. The error was only realised and accepted by Davies ten months later.

So I think a fairer compensation award for Davies' poor service in this case is £150, taking into account the reasonableness of the request, the importance for Mr D to have this information for future applications for insurance, and the delay of ten months before Davies replied. I haven't received persuasive evidence that Davies forwarded Mr D's complaint to B when it received it in November 2022."

Davies didn't respond to my provisional decision. Mr D said he's satisfied I've considered all the issues, but he believes a fairer compensation award for the time and inconvenience should be £250 based on the examples on our website.

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 understand Mr D doesn't believe the compensation amount of £150 is fair. We take each case on its own merits. I've considered the impact as well as the delay in responding to his query. I've also taken into account that when dealing with day to day administration issues, there will be a degree of disruption involving our own time – and on balance what is a proportionate award for Davies' poor service and delay, which was unreasonable.

Having done so, I think a compensation award of £150 is a fair amount to resolve Mr D's complaint.

My final decision

My final decision is that I uphold this complaint. I require DAVIES MGA SERVICES LIMITED to pay Mr D £150 compensation for the distress and inconvenience caused.

DAVIES MGA SERVICES LIMITED must pay the compensation within 28 days of the date on which we tell it Mr D 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.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 1 April 2024.

Geraldine Newbold
Ombudsman