

The complaint

Miss C is unhappy she was mis-sold a motor insurance policy by U Drive Cover Ltd (“U Drive”), which had a financial consequence for her.

What happened

Miss C applied for a fully comprehensive insurance policy online via a comparison website.

U Drive acted as a broker to Miss C in the purchase of the policy. In doing some verification checks on Miss C’s application, U Drive identified Miss C hadn’t fully completed the application details and had omitted some details about her driving history.

Once the full details of Miss C’s driving history were known, U Drive were no longer able to offer the policy to Miss C on behalf of the insurer at the agreed price (as her risk profile had increased).

U Drive contacted Miss C and informed her of this and offered other policies with a different insurer at a different price, including a third party, fire and theft policy (TPFT) at a lower price. Miss C accepted the TPFT policy and paid part of the premium.

However, Miss C cancelled the policy as soon as she received the written documents. She didn’t realise she had purchased a TPFT policy. She felt she was mis-sold the policy as she said she was confused when she purchased it. She said U Drive provided her with too much information in one go, rather than giving her chance to absorb what it was telling her.

U Drive said it had followed its standard process and provided Miss C with opportunities to ask questions. It said its actions were a result of ensuring Miss C took out the right policy based upon accurate information on her. It deducted a cancellation fee and monies for the time Miss C spent on cover and refunded her the remainder of the premium that had been paid.

Our investigator decided not to uphold the complaint. Whilst she was sympathetic to Miss C, she didn’t think U Drive had done anything wrong. She thought it had acted reasonably once it became apparent Miss C hadn’t fully disclosed her driving history. Miss C disagreed, so the case has been referred to an ombudsman.

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 have reviewed the complaint and the information that has been submitted, which includes the call recording between Miss C and U Drive. I know this will be disappointing for Miss C, but I’m not upholding this complaint. I’ll explain why.

The circumstances of this complaint have arisen as Miss C failed to disclose her full driving history when applying for a new policy. By intervening in the application, U Drive has acted

favourably for Miss C, as the cover she would've purchased would've been invalidated as the key information provided to the insurer to offer the policy was incorrect.

If Miss C had claimed under the invalidated policy, it's possible her claim would've been rejected or any subsequent pay out would've been significantly restricted. So, I think U Drive were reasonable to offer alternative cover options to Miss C.

Miss C explained she felt too much information was provided by U Drive when purchasing her policy. Subsequently, when she realised she purchased a policy that she didn't want, she cancelled it immediately when realising (on receipt of the written documents).

I've listened to the call that was made to Miss C. I think U Drive have clearly set out the policy it proposed to Miss C, a TPFT policy. I appreciate Miss C says she was overwhelmed by all the information and the recorded call out of the terms and conditions. However, I didn't hear Miss C ever tell U Drive she was confused or didn't understand anything.

I have no reason to think if U Drive had been aware Miss C didn't understand what it was sharing, that it wouldn't have taken the time to explain the details more slowly with Miss C and answer any questions she had. However, as U Drive wasn't made aware of the difficulties Miss C was facing, I don't think it was unreasonable for U Drive to follow its standard business process that it uses for all its customers.

Miss C was prompted to whether she agreed with the terms and conditions of the policy when she paid for her cover online. As she accepted these terms and conditions, I think it's reasonable for U Drive to have assumed she was happy with the policy she had purchased.

Miss C has asked for the monies that U Drive have withheld to be reimbursed to her. I think the money that U Drive has retained is fair. It is consistent with the terms and conditions of the policy. The policy states "*Cancelling a policy before it starts or within the cooling off period (first 14 days). This includes if you buy the policy then change your mind. £75 plus time on cover and insurer admin fee*". As U Drive have calculated the amount it retained correctly, I don't think it has done anything wrong. Therefore, I don't uphold this complaint.

Miss C mentioned she was unhappy with the speed in receiving U Drive's final response to her complaint. I can see there were good reasons for the delay, which have been communicated to Miss C. Given, the delay was only short, I wouldn't have expected U Drive to take any further steps. And anyhow it responded well within the eight-week window it's obligated to respond as set out by the Financial Conduct Authority.

My final decision

My final decision is that I don't uphold this complaint. I don't require U Drive Cover Ltd to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 3 October 2024.

Pete Averill
Ombudsman