

complaint

Mr G complained that Devitt Insurance Services Ltd gave him incorrect information about his motorcycle insurance policy.

background

Mr G was renewing his motorcycle insurance via Devitt, his broker. He said that a document from Devitt suggested that his policy had a condition limiting when the insurer would pay out on a theft or attempted theft claim. He thought that the condition was unreasonable and that it wasn't possible to comply with it. So he queried it with Devitt.

Devitt told him that the relevant condition didn't apply to him. They gave him a copy of what his policy said about the matter. This was different, and more advantageous to Mr G.

Mr G complained to Devitt. He said that Devitt's documentation didn't correctly reflect the contract he was entering. He thought that this was misleading. He felt that if he'd renewed his policy without checking, he'd have been held to the unreasonable condition in Devitt's document and that this could have caused him problems if he'd had to make a claim.

Devitt said they'd taken over another similar business, and so they dealt with several different insurance companies, who had different policy terms. They knew that not all restrictions were applicable to every policyholder but, they explained, they were unable to send a specific tailored renewal letter reflecting each policy wording to each of their customers. And so they sent a document which had generic information highlighting any important policy restrictions in which customers might find themselves not covered by the policy. The document invited customers to contact Devitt if they had any questions.

They said that the relevant condition wasn't in Mr G's policy, so he wasn't affected by it. His insurance was more favourable.

Mr G remained dissatisfied and so brought his complaint to us. He wanted Devitt to ensure that their information was consistent with what the insurer said about the policy and that it was accurate and correctly reflected the contract he was entering.

The investigator didn't recommend that his complaint should be upheld. He didn't think that Devitt had acted unreasonably in the circumstances. He explained that policy documentation takes priority over Devitt's information. So, if there had been any dispute, despite Devitt's document, Mr G was covered under his policy and the condition didn't apply to him. He didn't think that the way Devitt had told customers about policy restrictions was unreasonable.

He also thought that they'd acted reasonably when he did query the restriction by sending out a schedule with the condition which did apply under his policy, and giving him 14 days under the cooling off period to cancel the policy if he was not happy with it. The investigator didn't think Devitt should have to do anymore because giving Mr G the incorrect information hadn't caused him any detriment.

Mr G didn't agree and so his complaint has been passed to me to decide.

my findings

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

I can see that Mr G has found it frustrating that Devitt hadn't given him clear information about his policy. He clearly felt that, as brokers and insurers demanded accurate information from consumers, they should be held to the same standards. He thought that it shouldn't be up to the customer to call a broker to clarify their information before they took out their policy. He also felt that it wasn't fair to say that the customer could simply cancel, as that would incur a charge.

However, as the policy documents form the basis of the insurance contract, it's up to a policyholder to read them. And I think they would be able to cancel without any charge if the policy terms had been misrepresented to them and they'd been disadvantaged.

However, in this case, if Mr G had renewed his policy, he wouldn't, as he feared, have been held to the condition in the information document, because his own policy didn't include that. And it shouldn't have caused him problems when making a claim, as the condition didn't apply to him.

I do agree that it would have been better practice for Devitt to make sure that generic policy information said that it was generic and may not apply to every policy, and asked consumers to call for details. However I don't think that on this occasion Devitt acted unreasonably or that their actions disadvantaged him, and so I don't ask them to do any more.

my final decision

For the reasons, I've given above it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 July 2017.

Rosslyn Scott
ombudsman