

## **complaint**

Mr P complains that Europa Group Limited trading as MotorCycle Direct (Europa) won't honour the premium it quoted for his motor insurance policy. He wants it to honour the quote and compensate him for his trouble and for having a cancellation on his record.

## **background**

Mr P obtained online quotations for his motorbike insurance and he was provided with premiums in the region of £340. He contacted Europa to discuss the quotation it provided and the premium reduced to about £95. Mr P says that he checked a number of times with the call handler to confirm that this was correct. The call handler told Mr P that he wouldn't need to provide a copy of his proof of no claims discount (NCD) as it was being used for his car.

Mr P then received NCD requests. He called Europa to explain what had been said in the previous call. Europa found that a mistake had been made. The call handler had inputted the car NCD as motorcycle NCD. As the underwriter wouldn't accept zero motorcycle NCD the policy had to be cancelled. Europa offered Mr P a full refund (meaning 2 weeks of free insurance) and no cancellation fees. It also offered him a further £50 in compensation for the inconvenience caused. Mr P asked for a copy of the call he'd made, but he was told that it must be requested via a subject access request.

Our adjudicator recommended that the complaint should be upheld in part. She thought that it was fair for each party to meet half way. She asked Europa to offer Mr P an additional £95 (£145 being half the additional premium for his new policy). But Mr P didn't think this was enough for the way that Europa had treated him. The adjudicator also told Mr P that Europa would issue a letter advising that the cancellation was due to its mistake.

Mr P replied that he felt that he had been made to jump through hoops to get to this position. He had to make a subject access request and Europa didn't issue a response letter immediately. Because of this he wanted a refund of the additional premium charged for his new policy, a refund of his postal order costs and £50 compensation. He also said that he will have to contact each insurer each year to explain about the cancellation.

## **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 understand Mr P's frustration. I can see that he suspected that the call handler made a mistake and that the premium initially offered was too low. He says that he would have accepted that this was a mistake if Europa had responded promptly and fairly at the outset. But he says that it has caused him trouble and taken up his time. He thinks he is being bought off and that Europa should be investing in its staff training.

The adjudicator has already explained that it's not our role to fine or punish a business. Nor is it our role to comment on a business' internal systems or processes, such as its staff training. If Mr P wishes to take his concerns about this further, then he should raise them with the regulator, the Financial Conduct Authority.

Our remit in cases like this is to investigate whether Europa acted fairly and reasonably in response to Mr P's complaint.

Mr P has raised concerns about his subject access request for his records held by Europa. He has asked that I don't consider these as he wishes to raise these concerns elsewhere. Therefore, I won't comment on them further.

I think that mistakes can happen. It's agreed that the call handler made a mistake. In such a case, we would expect Europa to restore Mr P's position to what it would have been if the mistake hadn't been made.

I can see that Europa cancelled the policy without adding fees and refunded Mr P's premium in full. This gave him two weeks free cover. Europa also offered Mr P £50 for his inconvenience. It supplied Mr P with a letter saying that the cancellation was due to its error. It has confirmed that Mr P won't need to disclose this to future insurers, though I haven't seen a letter confirming this. I think that this restores Mr P's position.

But I think that Mr P also suffered a loss of expectation regarding the initial premium he was offered. I think it's fair that Europa compensates him for this. Mr P wants a full refund of the additional premium he now has to pay.

I agree that but for Europa's mistake Mr P wouldn't have obtained a premium of £95. But I don't think it's fair that he should only pay £95 for his premium. The adjudicator has recommended splitting the difference between the initial and current premiums as a fair way to resolve the matter. I agree with her. I think that Europa should refund Mr P half the additional premium he now has to pay, less the £50 already offered. This means that it should pay Mr P £95 further, as it did agree to do.

Mr P says that he had to spend time resolving the matter and that he had to ask Europa for a final response letter. I think it's clear that Mr P thought from the start that Europa had made a mistake in its quote. The mistake was discovered very quickly. I don't think there was any disagreement about the mistake. Europa tried to resolve the matter within 24 hours. But Mr P didn't accept this. I can see that Europa then progressed his complaint. I can't see that Europa protracted the handling of Mr P's complaint. I don't think it need offer him any further compensation for this.

### **my final decision**

For the reasons I've discussed, it is my final decision that I uphold this complaint in part. I require Europa Group Limited trading as MotorCycle Direct to do the following:

1. Pay Mr P a further £95, which represents half his additional premium less the £50 already offered.
2. Provide Mr P with a letter confirming that the cancellation was due to Europa's mistake and that he need not disclose it to future insurers.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 21 December 2015.

Phillip Berechree  
**ombudsman**