

## **complaint**

Miss K is unhappy with the way Autonet Insurance Services Limited administered her car insurance policy.

## **background**

Miss K is the policyholder, and so the complainant for this complaint. But because of her disability, most of the interaction and correspondence has been with her partner. However, for the purposes of this decision, I'll only refer to Miss K.

In April 2014, Miss K applied to insure her car through a price comparison website. During that application she answered 'No' to the following question:

*"have you had any motor accidents, claims or losses in the past 5 years, no matter who was at fault or if a claim was made?"*

The policy was arranged through Autonet. It checked the Claims and Underwriting Exchange (CUE) database, which showed a 'pending' claim in Miss K's name from 2011, entered by her previous insurer. Because of this, Autonet amended Miss K's policy details, which resulted in a £60.83 increase in premium.

Miss K wasn't happy with this because in the previous three years this hadn't been raised by other insurers. She initially wanted to cancel the policy, but was told that there'd be a cancellation charge. As she didn't want to pay this she decided to allow the policy to continue, but still disputed the CUE records.

Autonet asked Miss K to provide proof of no claims discount (NCD) and a copy of her driving license. It also suggested she contact her previous insurer if she wanted to have the CUE record changed. Neither of these processes went smoothly.

The NCD has now been confirmed and the 2011 incident clarified as 'no fault'. This means that the additional premium has been cancelled and Miss K continues to be insured at the price she originally thought.

But Miss K's unhappy with the way Autonet behaved in getting to this position. So she's raised a number of complaints:

- refusing to accept her word that CUE record was wrong;
- charging a fee to cancel within a few hours of purchase;
- chasing her for NCD proof when she'd already sent it;
- passing the job of dealing with her previous insurer back to her when it had offered to do it;
- conflicting and confusing correspondence;
- failing to respond promptly to emails but insisting she does;
- wrong premium information in the policy schedule;
- not doing enough to help her send the documents Autonet had asked for;
- not including the ombudsman leaflet with its final response letter.

The adjudicator thought that Miss K's complaint should be partly upheld because of some customer service failings by Autonet. Autonet had already apologised for some of its shortcomings in its final response letter. It also agreed to pay Miss K £75 compensation for

the trouble and inconvenience she'd suffered as recommended by the adjudicator. Miss K didn't accept that offer, so I've been asked to consider the matter.

### **my findings**

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

From the call record after the adjudicator's first opinion, Miss K accepted that Autonet had responded to emails in a reasonable manner. So I don't intend to consider that point further.

In relation to the rest, I have decided to partly uphold the complaint. I'll now explain why.

#### *refusing to accept her word that CUE record was wrong*

Because the CUE record and what Miss K had said in her policy application weren't consistent, I think it was entirely proper that Autonet made further enquiries. Miss K gave an explanation of an event that the record might refer to, but wasn't certain, so Autonet had to go to the previous insurer. Through no fault of Autonet, it took some time to get the information about the CUE record. When Autonet found out that the claim wasn't 'pending', but was 'no fault' it amended the policy quickly and removed the additional premium. So I don't think Autonet did anything wrong in dealing with the CUE record.

#### *charging a fee to cancel within a few hours of purchase*

I think that if there hadn't been the threat of a cancellation fee, Miss K would have considered taking her business elsewhere. But businesses are entitled to charge a fair and reasonable fee for administering a policy. And once one is set up, whether it's a few hours, days or weeks old, there is work and therefore a cost in cancelling it. So I don't think Autonet was unreasonable in charging a cancellation fee, even within the cooling off period. But it may not have been reasonable if Autonet and the insurer both tried to get back their selling costs. As no cancellation fee was charged – Miss K decided to let the policy run – I don't need to make a finding about whether it was a reasonable one. But I would like to observe that sending out documents with different cancellation fees stated (those for Autonet and those of the insurer) could be confusing and suggest that Autonet and the insurer would both try and recover their costs. Autonet may want to look at how it could make this clearer.

#### *chasing her for NCD proof when she'd already sent it*

I'm satisfied that Miss K sent evidence of her NCD to Autonet by email on 19 April 2014. Autonet has said it didn't receive it. The welcome letter asked Miss K to send proof of NCD within 7 days. She sent it by replying to the email address from which she'd received the policy documents links. But the no claims bonus declaration form gave a different email address to send this to. Because this wasn't mentioned in the welcome letter, I don't think Miss K acted unreasonably. I think that the instructions about where to send the NCD proof weren't prominent enough, and that's why Miss K mis-directed hers. I also think that Autonet should have been able to identify Miss K from the NCD proof she sent and get it to the right place. But it didn't and I think this was poor customer service by Autonet.

#### *passing the job of dealing with her previous insurer back to her when it had offered to do it*

Autonet explained to Miss K that it needed information from her previous insurer about the 2011 incident, and it also needed to verify her NCD because it wasn't consistent with the CUE records. At one point Autonet did offer to help Miss K by contacting the previous insurer direct. It explained that it would need her to give the previous insurer her authority. She did this by email, but Autonet still had difficulties in getting the information. So Autonet asked Miss K if she'd contact her previous insurer. I don't think this was unreasonable. An insurance policy holder must provide information required by their broker. Autonet had tried to help Miss K out, but hadn't succeeded. The responsibility though, still lay with her. So I think it was reasonable for Autonet to ask Miss K to contact her previous insurer for the information.

*conflicting and confusing correspondence*

In addition to being chased for NCD proof after she'd sent it, Miss K received two letters dated 12 May 2014 with very different information. The first she received said that the claims history had been updated and there would be no increase in premium. She then received another that said that the NCD could not be verified and she needed to contact her previous insurer to give Autonet permission to speak to it. I think that this was poor customer service by Autonet and I think Miss K would have found this confusion stressful.

*failing to respond promptly to emails but insisting she does*

The policy statement of fact breaks down the premium as follows:

*Insurers Premium: £226.39*  
*Insurers Arrangement Fee: £0.00*  
*Premium Payable: £288.12*

Even allowing for the £60.83 additional premium, which isn't listed, this doesn't add up. Autonet has explained that Miss K received an online discount from the insurer's premium shown, and that she'd also have had one off the additional premium. Still, this document doesn't make it clear to me, and didn't to Miss K, how the premium payable was arrived at. Autonet should provide customers with clear information about policy costs and I think they failed to do so here.

*not doing enough to help her send the documents Autonet had asked for*

Miss K has complained that one of the letters from Autonet said there was a stamped addressed envelope enclosed, but there wasn't. Autonet's explained that this was because she asked for the documents by email. By not amending its letter for email delivery, Autonet again sent confusing correspondence. But I've addressed that aspect above. Miss K refused to send the documents asked for without Autonet agreeing to pay. It tried to help by suggesting alternative means by which she could send the documents. Unfortunately these weren't available to Miss K. But as the cost to Miss K of copying and posting the document would have been quite small, particularly compared to the effect of not doing so, I don't think it was unreasonable for Autonet to ask her to do this at her own expense.

*not including the ombudsman leaflet with its final response letter*

Autonet's final response letter to Miss K's complaint included the required referral rights to this service. It also included the correct address to which to direct a referral. But it didn't include our leaflet, which the letter stated was enclosed. This is another example of Autonet

not doing well enough at checking its outgoing correspondence.

So I've decided to partly uphold Miss K's complaint. I accept that Autonet caused her some annoyance, frustration and stress, particularly given her disability and need to have her partner deal with the issues. I also recognise that dealing with the matter for Miss K has been stressful for her partner. But I'm not able to award compensation for his stress and inconvenience, only Miss K's. Because the aspects of the complaint that I've upheld are the more minor, administrative matters, and the award can only reflect Miss K's trouble and upset, I think the £75 compensation proposed by the adjudicator in the second assessment letter is reasonable. I understand that Autonet's agreed to pay this compensation.

**my final decision**

I uphold Miss K's complaint in part and direct Autonet Insurance Services Limited to pay her £75 in compensation for the distress and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss K to accept or reject my decision before 10 July 2015.

Mike Foster  
**ombudsman**