

complaint

Mr B complains that BDML Connect Limited mis-sold him a motorcycle insurance policy.

background

Mr B rang BDML (a broker) when the policy on his old motorcycle was about to expire. He says he told BDML his requirement for a planned change to a more powerful machine. He renewed the policy and also took out legal expenses cover. He complained when – after he changed his bike – BDML told him the insurer would not accept the risk. He cancelled the policy and took out a new one through another provider.

The adjudicator recommended that the complaint should be upheld. She concluded that BDML mis-sold the policy to Mr B. She was satisfied that Mr B owed BDML about £26 for time on cover. But she said that it had caused him distress and inconvenience of having to find alternative insurance. She recommended that BDML should pay Mr B £150 for distress and inconvenience.

BDML disagrees with the adjudicator's opinion. It accepts that its operator should not have told Mr B that he thought the policy underwriter would cover the new bike. But BDML says it did not give a quote for the new bike and in any event underwriters can change their terms. It says it has already waived its £50 cancellation fee but the legal expenses cover was non-refundable. A further £50 compensation would be appropriate, it says.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

BDML belatedly provided us with a call recording from a couple of months before the renewal date. I place little weight on this.

From the recording of the renewal call itself, I am satisfied that Mr B gave BDML details of the new motorbike he intended to buy. He said he wanted to check that it would be covered before he committed to renew his policy.

I am not satisfied with the standard of response from BDML. Its operator did not check with the policy underwriter, but led Mr B to believe he would be able to add his new bike to the policy. I accept BDML's point that underwriters can change their criteria. But BDML did not warn Mr B of this. And I am not persuaded that this is what happened in this case.

In any event I am satisfied that BDML's shortcomings caused Mr B to take steps so that he could use his new bike. He had to cancel the policy and urgently take out a new one. No doubt this cost him more. BDML never quoted for the new bike. So I am not persuaded that it caused him a financial loss. But I am satisfied that it caused him annoyance and put him to some trouble. I consider that £150 is fair and reasonable compensation for this.

I note that BDML has waived its cancellation fee.

I do not consider that BDML was responsible for the calculation of the insurer's charge for time on cover (about £57). If Mr B wishes to complain about that, he should address his complaint to the insurer.

From the telephone recordings, I do not conclude that BDML told Mr B that the legal expenses cover (about £26) was non-refundable. But I have seen a "key facts" policy summary. So I am satisfied that BDML took reasonable steps to draw to Mr B's attention that he had fourteen days to cancel the cover – after which it became non-refundable.

I do not consider that it is unfair or unreasonable for BDML to ask Mr B to pay the following:

Insurer charge for time on cover	£57.66
Motor legal protection	£26.00
Sub-total	£83.66
Less paid	£31.69
Total	£51.97

my final decision

For the reasons I have explained, my final decision is that I uphold this complaint. I order BDML Connect Limited to:

1. not ask Mr B to pay more than £51.97 in connection with the policy cancelled in July 2013;
2. pay Mr B the sum of £150 for distress and inconvenience.

Christopher Gilbert
ombudsman