

## **The complaint**

A company I will refer to as T complains about the administration and service provided by County Insurance Consultants Limited trading as Safe and Sound Insurance Centre (County) when it set up a commercial motor insurance policy.

## **What happened**

T says that it agreed for County to arrange a commercial motor insurance policy. But the finance agreement wasn't set up correctly. When a payment defaulted T says it wasn't made aware. This resulted in arrears in T's premium instalments. It also says County failed to add vehicles to the policy when instructed.

T says that County didn't inform it that not all vehicles were covered for social, domestic and pleasure (SDP) purposes. Also, that 'carriage of goods' cover was mis-sold. T says the policy was mis-managed by County and communication was poor, resulting in the problems it experienced. It says it no-longer has adequate motor insurance for its business.

In its complaint response County says there was a delay arranging finance. This was due to factors outside its control relating to the finance company. County says all T's vehicles were covered under its policy. It says it isn't responsible for any issues with the Motor Insurance Database (MIB). When a payment was missed County says it worked with T to resolve this.

County says T arranged a statutory off-road notification (SORN) for the vehicle that wasn't covered for SDP use. The SORN meant it couldn't be driven on public roads and is why no SDP option was available. County says T was provided with details of the policy and didn't raise any issues with the carriage of goods cover. It says it assisted T as much as possible in its capacity as broker.

T wasn't satisfied with this response and referred the matter to our service. Our investigator didn't uphold the complaint. He thought County had treated T fairly. Our investigator didn't comment on all the issues raised by T in his initial view. He sent a further response covering the remaining points. But he maintained his view that T had been treated fairly.

T disagreed and asked for an ombudsman to consider its complaint.

It has been passed to me to decide.

## **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.

Having done so I'm not upholding T's complaint. Let me explain.

### ***Finance agreement***

County arranged for a finance provider offering a lower rate than T had been paying. Given the change in cover, and the increase in premium, it says it made sense to try and reduce

this cost. It took longer than expected for the finance provider to put the agreement in place. County says this was due to the impact of the pandemic, also that additional checks were required in T's case. This was because T had changed address in the last three years.

I've seen the letter the finance company sent to T dated 29 July 2021. This says T needs to sign a credit agreement, which can be done online. The letter confirms the first payment will be £844.52 and it will be collected on 9 August. This payment incorporates the first two months premium instalments. It says subsequent instalments are to be paid on the third of each month.

In its correspondence to County, T disputes the reasons it gave for the delays in setting up the Direct Debit payments. It says the previous year was worse for Covid restrictions and it had no issues. T says the finance company want to take three payments inside a month and it was given very little notice of this.

I can understand that T wanted the finance to be agreed and the Direct Debit instruction set up earlier. Also, that it wanted the regular collection on a different date, which it says had been agreed with County.

In its response to T on 11 August 2021 County says its working with the finance company to come to a favourable agreement. This includes moving the regular collection date. It says an alternative finance company will be looked at if a suitable arrangement can't be reached. County explained the policy wasn't at risk of cancellation, whilst these points were being sorted out.

County emailed T the following day to say a single payment will now be collected on 23 August 2021, which covers the July instalment of the premium. It says the remaining payments are to be collected on the 15<sup>th</sup> of each month as requested. I can see that T responded and confirmed funds would be available or if not it would contact the finance company directly to make the payment.

I can see the amount due to be collected in August by Direct Debit was rejected by T's bank. I acknowledge T's comments that it was the delays in County applying for finance that led to it not being able to pay the premiums it owed.

Having thought about this, and having considered the evidence, I don't agree that County is at fault for T not having funds available. It took longer than expected for the finance arrangement to be agreed. This delayed setting up the Direct Debit arrangement. However, T required insurance cover from the beginning of July 2021. So, it was necessary for cover to start at this time. The collection of payments didn't align with the start of the policy. But the funds should've been available.

When T raised concerns about paying more than one instalment at once, County arranged for the initial payment to be limited to one month's instalment. This was to be collected in August, which T agreed. I think this was reasonable.

I note T's comments that an unexpected payment was taken from its account, which left insufficient funds to pay the insurance. Also, that it didn't have internet banking and the owners were on holiday at the time the payment failed. T says it wasn't notified of the missing payment until it received a seven-day notice of cancellation.

I acknowledge T's comments regarding the circumstances at the time. But ultimately it was T's responsibility to have the funds available in its bank account to cover the cost of its insurance policy. I think County provided reasonable assistance when T raised concerns with the payment it initially wanted to collect. But County isn't responsible for T's failure to

ensure funds were available to cover the cost of its insurance. So, I don't think it treated T unfairly here.

#### *Vehicles covered*

T raised concerns that not all vehicles were showing on the MID. Although it had provided details of these vehicles to be covered under its policy. County gave an explanation that occasionally vehicles don't show on the database for various reasons. This can include human error or I.T. issues. But it says all T's vehicles were covered as requested under its policy.

I can see a list of T's vehicles was included in an email exchange between it and County prior to inception of the policy. I've not seen evidence that shows County failed to act appropriately to ensure all T's vehicles were covered. No loss has occurred in respect of a lack of cover. So, although I can understand T's concern when viewing the MID - I don't think County has been shown to have done anything wrong here.

#### *SDP*

I acknowledge what T says about the lack of cover should it have driven the car that wasn't insured for this purpose.

County says the vehicle in question was registered SORN at the time – meaning it couldn't be driven on public roads. It says this is why the option of SDP cover for this vehicle wasn't given.

Based on what I've read there was no requirement for SDP cover for this vehicle. So, I don't think County did anything wrong here.

#### *Carriage of goods*

T says the cover it needed was for vehicles being towed, "*on the back of the beavertail*". It says a different broker told it the cover it needed was included under the main cover it had with its current insurer. So, this additional cover was superfluous.

I note County sent an email to T on 22 June 2021 that said the policy covered vehicles in transit as well as vehicles at the premises and for public liability. County says T responded to say this seemed a good price for what was covered under the policy. It also says T was provided with policy documentation. It was asked to check this information to ensure adequate cover was in place. County says T didn't contact it to raise any concerns with the cover it had agreed.

If the cover provided wasn't needed - the opportunity to identify and highlight this was when the policy documentation was provided. It's reasonable to expect that T would read the policy documentation to ensure it was suitable for its business needs. Although I acknowledge T's argument, clear information was sent detailing the cover it had agreed, prompting it to check this met with the requirements of its business. Based on what I've read I'm not persuaded that County did anything wrong here.

#### *Handling of the policy*

I acknowledge T's comments that County's part in the handling of its policy was poor and resulted in a number of problems. But having considered the evidence, I don't think it's shown this to be the case.

It's clear the finance agreement took longer to arrange than would be expected. But as discussed, County isn't responsible for the actions of the finance company. I think it acted reasonably to assist T when issues arose. I'm not persuaded by T's argument that County treated it unfairly.

Having considered all of this I don't think County treated T unfairly. So, I can't reasonably ask it to do anymore.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 7 September 2023.

Mike Waldron  
**Ombudsman**