

The complaint

Mr J complains about his insurer, Extracover limited trading as Zego (Zego), sharing his personal data with a third-party business (U) under his motor insurance policy. The complaint relates to Zego as the administrator of the policy (the insurer of the policy is a separate business).

Any reference to Zego in this decision includes their agents.

What happened

Mr J took out cover through Zego to insure his vehicle whilst he was working as a delivery courier (for U). In August 2022 Zego were contacted by U, asking whether a certificate of insurance provided to them by Mr J was a genuine certificate. Zego responded to confirm the certificate wasn't an original. U then ended their employment of Mr J.

Unhappy at what happened, Mr J complained to Zego. But they didn't uphold the complaint. In their final response, Zego said their data protection team had considered the complaint but concluded the sharing of Mr J's data (confirming the certificate of insurance wasn't an original) was in line with their Privacy Notice (a link to which was included in the final response). While they apologised for any inconvenience the sharing of data had caused Mr J, Zego said they wouldn't be taking the complaint any further.

Mr J then complained to this service. He said Zego used his personal data without his consent when it shared it with U (which Mr J said was unlawful). He'd tried to resolve the issue with Zego, but without success. Following the incident U had closed his account with them. Mr J wanted compensation from Zego for the poor service he felt he'd received.

Our investigator didn't uphold the complaint, concluding Zego didn't need to take any action. He said Zego was a regulated firm and had a duty to try to prevent any fraudulent activity. This included sharing information with other businesses to make sure a consumer provided accurate information. In the case, Zego were presented by U with a certificate of insurance Mr J had provided to them. Zego confirmed to U the certificate showed the cover started in August 2022 and ran to September 2023.

However, Zego also told U this wasn't correct. No other information was shared with U. The investigator noted Zego had a duty to share information for fraud prevention and they (Zego) had been contacted by U (their fraud prevention department). It wasn't Zego contacting U. While the investigator concluded Zego had acted fairly and reasonably, he thought Mr J might want to approach U to see if they had the right to check his insurance details..

Mr J didn't agree with the investigator's view and asked that an ombudsman review the complaint.

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.

My role here is to decide whether Zego has acted fairly towards Mr J.

The key issue here is whether Zego acted fairly in confirming to U that a certificate of insurance they'd been provided by Mr J wasn't an original certificate. Mr J says Zego used his personal data without his consent when they shared it with U (which he says is unlawful). Zego say the sharing of Mr J's data (confirming the certificate of insurance wasn't an original) was in line with their Privacy Notice.

Given the reference to their Privacy Notice, I've looked at what it says. This is contained within the policy document issued by Zego, where there's a section headed Data Protection and Privacy Notice. Several sections appear relevant to Mr J's complaint. First, under a heading How we will use or share your information it states:

"Where we collect any personal information, you agree that any data provided by you in connection with your proposal and resulting insurance may be used exclusively by us...the insurer...third-party service providers (including but not limited to...your work providers...fraud detection and prevention services...)...collectively referred to as 'data recipients', in performing their obligations to you in respect of your contract of insurance..."

There's also a section headed Preventing or detecting fraud which includes the following statement:

"We and other organisations...may also access and use this information to prevent fraud...for example, when:

- *Checking details of job applicants and employees."*

The Privacy Notice also sets out the 'lawful basis' for Zego processing personal information, including *"the processing is necessary for the legitimate interests of the data recipients..."*.

Taking the Privacy Notice as a whole, including the extracts set out above, I think it was reasonable for Zego to respond to U's request about whether the certificate of insurance provided to them by Mr J was a genuine certificate. I think U would be included as an organisation 'checking details of job applicants and employees' and a 'work provider'. And 'resulting insurance' would include documents issued under the policy, including certificates of insurance.

So, I've concluded Zego acted fairly and reasonably in responding to U's request about whether the certificate of insurance provided to them by Mr J was a genuine certificate.

While I've reached this conclusion, I would note it isn't within the remit of this service to determine whether Zego has complied with data protection legislation. That would fall within the remit of the Information Commissioner. More information on data protection legislation and the role of the Information Commissioner can be found at the Information Commissioner's website at www.ico.org.uk

My final decision

For the reasons set out above, my final decision is that I don't uphold Mr J's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 4 September 2023.

Paul King
Ombudsman