

The complaint

Mr G complains that Sainsbury's Bank Plc won't provide him with proof of the full No Claims Discount (NCD) he earned for his motor insurance policy. He wants compensation for his likely future losses.

What happened

Mr G took out a policy through Sainsbury's and it said it asked him for proof of his claimed NCD. Mr G said he didn't receive this letter and he had stated he had 9 years' NCD. Three years later, Mr G took out cover elsewhere and he asked Sainsbury's for proof of his NCD. It said this was 9 years, which was the maximum it allowed. It said it would provide Mr G with a letter stating the number of claim free years he had if he provided proof of his previous NCD.

Sainsbury's agreed it had given confusing information over the phone, and it offered Mr G £50 compensation for this. But Mr G was unhappy that it wouldn't allow him 3 extra years' NCD, and that it wouldn't allow him to make a complaint.

Our Investigator didn't recommend that the complaint should be upheld. He thought the maximum NCD Sainsbury's allowed was 9 years and it didn't count more than this. So it couldn't provide Mr G with proof of 12 years' NCD. But he thought it had reasonably offered to provide Mr G with a letter stating his number of claim free years if he provided the requested evidence from his previous insurer. He thought Sainsbury's compensation for the confusing information and for not allowing Mr G to make a complaint was fair and reasonable.

Mr G replied that Sainsbury's hadn't justified its decision not to provide proof of his NCD, but it was willing to provide proof of his 9 years' NCD without evidence. He asked for his complaint to be reviewed, so it's come to me for a final decision.

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.

I can understand that Mr G wants to make sure he has his full NCD entitlement so that he can get the best possible discount on his motor insurance. But I think he isn't making a distinction between his claim free years, which are 12 from his account, and the NCD that his broker allows.

Our Investigator explained that Sainsbury's only counts NCD years to a maximum of 9, so any years without a claim after that don't entitle the consumer to any further years of NCD. I agree that this isn't stated explicitly on Sainsbury's website. But I'm satisfied that this isn't unusual amongst insurers and is in keeping with standard industry practice.

The welcome letter Sainsbury's sent Mr G when he first took out his policy includes a page on NCD protection. This includes a table showing the maximum discount the policy's underwriter allows and this is "nine or more years NCD". So further years after 9 don't increase the discount allowed.

Mr G provided an extract from Sainsbury's website where it asks consumers to state their years NCD, and this gives options for choosing up to 20 years or more. But some insurers may offer this amount of NCD years. It doesn't mean that Sainsbury's should.

Mr G said he hadn't received a request from Sainsbury's for his proof of NCD when he first took out his policy with it. But I can see that this was stated on page 2 of his welcome letter and our Investigator has provided Mr G with a copy of this.

Mr G thought it was strange that Sainsbury's accepted his claim that he had 9 years' NCD when he first took out his policy, but it is asking for proof of this now. But Sainsbury's has explained that it accepted his statement in good faith and didn't follow this up as the underwriter didn't challenge it.

I think it's reasonable for Sainsbury's to now ask for this before it provides Mr G with a letter stating his claim free years as it has a responsibility to provide an accurate record of a driver's history. I think it's for Mr G to provide this proof if he wants to receive the letter.

I agree that Sainsbury's gave Mr G unclear information and incorrectly told him he couldn't make a complaint. Sainsbury's offered Mr G £50 compensation for this. I think that's fair and reasonable as it's in keeping with our published guidance for the impact these errors had. I don't require Sainsbury's to do anything further.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 29 September 2023.

Phillip Berechree
Ombudsman