

The complaint

Miss M complains about Motor Gap Limited trading as Direct Gap's ("MGL") customer service while making enquiries to renew her Guaranteed Asset Protection ("GAP") insurance policy.

What happened

Miss M says she called MGL and spoke with an agent ("agent 1") to renew her GAP policy but was informed she couldn't at that point as it was too early, so she was invited to call back. Miss M called back around two weeks later and spoke to a different agent ("agent 2"). Miss M says agent 2 was persistent and asked the same questions which had already been covered by agent 1. Miss M says she felt agent 2 was being abrupt which made her feel uncomfortable, so she explained she will call back to speak with agent 1. Miss M says agent 2 then said MGL wouldn't provide a renewal for her and to look for a policy elsewhere. Miss M says she called MGL again a couple of days later and spoke with agent 1 who explained agent 2, his manager, had put a note on their system to decline Miss M's renewal. MGL then sent an email to Miss M setting out their reasons for not offering a renewal. Miss M then complained about the service she'd received.

MGL responded and explained agent 2 took the right steps and refusing to offer a renewal was the only option. MGL said, when Miss M spoke with agent 1, he was under the impression Miss M's car was bought through a Personal Contract Purchase ("PCP") agreement, but after speaking with agent 2, it was established Miss M's car was obtained through a Personal Contract Hire ("PCH"). MGL said, because of this an Agreed Value Policy wasn't suitable, so a finance/contract hire GAP insurance was the only option available.

Our investigator looked into things for Miss M. She thought MGL hadn't acted unreasonably in declining to offer a renewal. Miss M disagreed so the matter has come to me for a 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.

Having done so, I've decided not to uphold the complaint. I understand Miss M will be disappointed by this but I'll explain why I have made this decision.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute. The primary dispute here relates to Miss M's call with agent 2 and MGL's actions thereafter in declining to offer a renewal. There's no dispute Miss M first had a conversation with agent 1 and it being agreed that Miss M would call back to take forward her renewal.

I've listened to the call recording of Miss M's conversation with agent 2, and it starts with Miss M asking to speak with agent 1 - and agent 2 explaining he's away from the office. Agent 2 then explains he can help. Agent 2 asks Miss M if she purchased her car or whether it was on a contract hire agreement. Miss M then explains her car was obtained through a PCH. Agent 2 asks how long the contract hire agreement is for and Miss M says, *"That's why I need to speak to [agent 1] because we've discussed all this, that's why he asked to ring him back, and now I'm going to go through all that again what I've gone through with [agent 1] and I really don't want to, it's a little bit frustrating, to have to explain myself to take a renewal, I'm happy to go with another company, it's not a problem"*.

Agent 2 explains they need to ensure the policy they'll be offering will be fit for purpose and suitable. Miss M says she's repeating everything that's already been explained to agent 1. Agent 2 explains the information Miss M gave to agent 1, which is showing on their system, refers to Miss M purchasing her car, so the details recorded by agent 1 say they would be offering a certain type of cover – in this case an Agreed Value Policy. Agent 2 explains Miss M has now confirmed her car was obtained through a PCH which would require a different type of cover to what agent 1 would've offered. Agent 2 then says, *"If you're not prepared to answer the basic questions that we have with cover then we are more than happy for you to shop around and find the cover elsewhere...the reason I'm asking those questions is because what you have advised [agent 1] is slightly different and the cover [agent 1] was going to offer you could well have been an incorrect level of cover for what you require."* Agent 2 then says, *"So, with the fact that you won't want to repeat those details to me, I'll be quite happy for you to go and purchase some cover somewhere else."* Miss M says, *"Ok, I'll do that."*

A couple of days later, Miss M speaks with agent 1. Miss M explains she understands agent 2 has refused to provide a renewal offer on the basis Miss M refused to answer questions so he could ascertain whether the policy would be fit for purpose. Miss M says she found agent 2 to be overpowering and she'd explained to him that she wanted to speak with agent 1. Miss M asks for agent 2 to send her an email explaining the reasons for refusing to offer a renewal. Miss M explains she had a detailed discussion with agent 1 and her concern was that she didn't want to have to go through everything again with agent 2. Agent 1 says, *"One thing that I will just point out is that, when we spoke earlier on, and we established that the actual finance agreement that's linked to it isn't a PCP as we originally thought, and that it is a PCH, then the policy that we spoke about previously, the agreed value policy, that then wouldn't have been fit for purpose. That policy would've only have been fit for purpose if you had actually had a PCP finance agreement."* Agent 1 then discusses why Miss M's existing policy is suitable for a car obtained through a PCH but why the cover he was looking to provide, following the first call, wouldn't be suitable now they're aware of the PCH.

MGL then follow this up with an email saying they aren't able to offer Miss M a renewal against her current GAP policy. They say this decision was made on the basis Miss M declined to provide MGL with the basic details required. MGL explain all agents are required to go through the details when quoting so that they're able to ensure the correct level of cover is sold and is fit for purpose should a customer need to claim. MGL say, as Miss M wasn't prepared to go through and provide the details they required, and the conversation then breaking down, they've declined to offer cover to ensure any policy wasn't mis-sold.

I acknowledge this event has been very upsetting for Miss M and I do fully appreciate it will be frustrating for a customer to have to repeat information already given to a business. Where a customer has provided responses to questions, I would expect a business to make a record of this to avoid a customer having to repeat information. But in this case, it's clear agent 2 was asking questions because he'd picked up on an inconsistency in what MGL's records were showing. Given the potential consequences of Miss M taking out a policy which might not be suitable, I don't think agent 2's line of questioning was unreasonable. I

acknowledge Miss M's intention was to speak with agent 1, and she also asked to speak with him. But given that agent 2 had now identified that the policy they were potentially looking to propose, following the first call, wasn't suitable and fit for purpose, I don't think it was unreasonable for agent 2 to look to clarify the position by asking questions.

I note Miss M believes agent 2 was aggressive, persistent and bullying and she says she was made to feel like a fraudster. I fully acknowledge from the phone calls and emails that Miss M was left upset by the call with agent 2. But I don't agree agent 2 was aggressive or persistent in his approach. I agree Miss M did originally ask to speak with agent 1, but he wasn't available, so I can't say it was unreasonable for agent 2 to offer to help. It's then established early into the call that the cover MGL were considering for Miss M might not be suitable, and that's what led to agent 2's further questions. I can't say though that agent 2 then persisted in asking these questions – and he does explain the reasons why he needs to ask these questions. Given that the further questions weren't answered, and in view of the consequences of mis-selling a policy, I can't say it was unreasonable for MGL to then decline to offer a renewal.

Miss M has asked that our service review calls between agent 2 and other customers. My decision here focuses on the service Miss M has received so I can't review other calls involving agent 2 – and this also wouldn't fall within our service's jurisdiction when considering the merits of this complaint.

I understand Miss M will be disappointed, and I am sorry to read about the impact this event has had on her. But my role here is to decide whether MGL have acted fairly and reasonably when handling Miss M's enquiries for renewal – and from the information I've seen, I think they have. I wish to reassure Miss M I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 27 October 2023.

Paviter Dhaddy
Ombudsman