

The complaint

Mrs Q complains about the service she received from U K Insurance Limited, trading as Darwin (UKI) after she notified it that her car had been stolen.

What happened

In October 2022, Mrs Q made a claim under her motor insurance policy with UKI after her car was stolen. She says she was told she'd be contacted about a settlement within three to five days, and she should change the car details over to UKI.

Mrs Q contacted the Driver and Vehicle Licensing Agency (DVLA) and completed a form online. The DVLA sent her a letter saying she was no longer the vehicle's owner.

Mrs Q says she didn't hear back from UKI, so she contacted it for an update around a week after making her claim. She was told an engineer wasn't available for a couple more weeks.

In the meantime, the police notified Mrs Q that her car had been found and it needed to be collected from the police pound as soon as possible. Mrs Q was concerned that she wouldn't be able to collect the car herself because she was no longer the registered keeper.

When Mrs Q contacted UKI, it told her that in order for it to collect the car, she would need to make a claim. Mrs Q agreed as she didn't want to lose her car. UKI arranged for Mrs Q's car to be collected and taken to a garage. Mrs Q contacted the garage who told her the car was in good condition. She asked that her claim be cancelled as her excess was £700 and she was concerned about the premiums increasing and losing her no claims bonus.

Mrs Q asked for her car to be delivered to her, but the garage told her UKI had instructed it not to and she would have to collect it herself. She was also told she needed to get license plates for it.

Mrs Q contacted UKI because she was no longer the registered keeper of the car and was worried about trying to get license plates for a vehicle which was registered stolen. She says UKI refused to help her, and said the matter was being dealt with by its customer relations team. Mrs Q also asked UKI if she needed to continue to pay insurance and road tax and was told she did.

UKI acknowledged that it hadn't given Mrs Q clear information when she'd called to register her claim. However, it said she'd been informed on numerous occasions she was still the registered owner of the car.

UKI said it had incurred costs as Mrs Q had asked it to arrange collection of her car from the police compound. It had correctly advised her that this would be a claim on her policy or alternatively she could pay the recovery costs and storage fees herself and the claim would be withdrawn. However, one of UKI's claims handlers had agreed to close the claim down as information only, allow Mrs Q's No Claims Discount and she wouldn't be asked to pay any charges. UKI said it was happy to honour this as part of the resolution to Mrs Q's complaint.

UKI said it had checked the DVLA database and this showed the last change of registered owner was in May 2021. This meant that UKI was not the registered owner of her vehicle, and it was Mrs Q's responsibility to arrange for the DVLA to supply her with a replacement logbook so she could arrange for the cloned number plates on her car to be replaced with the correct ones.

UKI offered Mrs Q £350 compensation for the upset and inconvenience she'd been caused by the unclear information she was given when she first registered the claim.

Mrs Q remained unhappy and asked our service to consider the matter.

Our investigator thought UKI had acted reasonably in agreeing to close Mrs Q's claim as information only, without charging her for the costs it had incurred in dealing with the claim. However, she didn't think UKI had done enough to chase the DVLA to establish who the registered keeper of the vehicle was. She thought this had caused a significant delay in sorting out the issue, which meant Mrs Q had been paying for a policy without the benefit of a car. The investigator didn't think the £350 compensation UKI had offered Mrs Q was enough, so she recommended it award her a further £250.

UKI asked for evidence that Mrs Q's car was transferred to the DVLA in October, which our investigator passed on to it. UKI acknowledged it hadn't previously asked Mrs Q to provide this information and accepted our investigator's outcome.

Mrs Q disagreed with our investigator's outcome. She didn't think £600 was enough to put things right. She told us she'd applied for a duplicate logbook from the DVLA but it asked for some further information which she had supplied and she was waiting for their decision. Mrs Q also gave us some further insight into the impact being without a car was having on her.

I issued a provisional decision on 20 June 2023, where I explained why I intended to uphold Mrs Q's complaint. In that decision I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Based on what I've seen so far, I intend to uphold Mrs Q's complaint. I've reached broadly the same conclusions as our investigator, but I intend to award Mrs Q higher compensation than our investigator recommended. I'll explain why.

UKI has acknowledged giving Mrs Q unclear information when she first registered her claim. As a result, Mrs Q contacted the DVLA and returned her logbook (V5C) to them. She's provided an acknowledgement from the DVLA that she was no longer the registered keeper for her vehicle, dated October 2022.

From what I've seen and been told, Mrs Q was unable to collect her car from the garage because it had cloned number plates on it. The garage needed to see the logbook to be able to fit correct number plates on the car. Mrs Q was unable to provide the logbook as she was no longer the registered owner of the car.

In its response to Mrs Q's complaint (dated January 2023) UKI said it had checked the DVLA database to see when a change of registered owner was notified, and this had shown the last change of registered owner was in May 2021. It said it was therefore Mrs Q's responsibility, as the owner of the car, to arrange for the DVLA to supply her with a replacement logbook so she could arrange for the cloned number plates on her car to be replaced with the correct ones.

It seems that UKI assumed that the car had remained registered to Mrs Q, despite her insistence that she was no longer the registered keeper. UKI has recently acknowledged that it didn't request evidence from Mrs Q that the car had been transferred out of her name.

UKI's notes suggest it requested further information from the DVLA in January 2023, but it doesn't look like this was chased until March. The chaser letter only says UKI was awaiting the response to its requested DVLA search. UKI doesn't appear to receive clarification of what the situation was until it called the DVLA in around April 2023. It says the DVLA then told UKI the vehicle was currently assigned to the Motor Trade and advised it of what Mrs Q needed to do to get her vehicle back. I can see that UKI sent a letter to Mrs Q (dated April 2023) advising her of what she needed to do.

I think UKI should have been more proactive in helping Mrs Q sort things out with the DVLA. When Mrs Q brought her complaint to our service, she told us she'd asked the DVLA how to get the car back in her name and they'd told her to call them back once the car was back in her possession. It's unclear why the DVLA didn't tell Mrs Q what it has since told UKI. But I think that if UKI had spoken to the DVLA earlier on, it might have helped resolve the matter for Mrs Q much sooner.

Mrs Q has recently updated us on the current position. She's told us that she still does not have the car in her possession. She said she's applied for the duplicate logbook, but DVLA requested the chassis number of the vehicle. She says she's replied with the requested information and is waiting for the DVLA to decide whether it will send her a new logbook. So, I don't think there's anything further UKI can do to help Mrs Q regain ownership of her car.

UKI has agreed to our investigator's recommendation to pay Mrs Q a total of £600 for distress and inconvenience. However, Mrs Q doesn't think this is enough to compensate her for the impact being without a car has had on her. She says she's become depressed as she doesn't get to attend social events anymore. It was more convenient having a car with three children as the youngest is only five years old. She says she's had to take taxis for important events, but these were mostly paid for by cash or using relatives' accounts. Mrs Q says what has hurt her most financially is having to continue to pay the insurance monthly even though the car has been off the road.

Mrs Q's insurance premium works out to be over £100 a month, so I can appreciate how frustrating it's been for her to be without her car for so long. Whilst Mrs Q hasn't been able to evidence it, I think she is likely to have incurred some financial loss by needing to take taxis on occasion. I don't doubt it's been inconvenient for Mrs Q to have lost out on the freedom and independence she gained from having a car.

Not only did UKI give Mrs Q unclear information in the first place, but I think it missed opportunities to help her resolve matters with the DVLA. Mrs Q says she told UKI several times that she was no longer the registered owner of the car but, aside from checking the DVLA database, it doesn't appear to have explored this much further until after our investigator issued her outcome in April.

I appreciate that UKI agreed to close the claim down as information only without requiring Mrs Q to cover the recovery and storage costs it had incurred. It's also accepted our recommendation to pay Mrs Q a total of £600 for distress and inconvenience. However, having considered everything, I don't think this is enough to put things right for Mrs Q, given the length of time she's been without her car. So, I intend to direct UKI to pay Mrs Q a total of £900 compensation, which includes the £350 it offered in response to her complaint."

I set out what I intended to direct UKI to do to put things right. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses

Mrs Q said she'd like to provide us with an update. She said she was now in possession of the logbook issued by the DVLA and had notified UKI and sent a copy to their garage. She said they promised to deliver her car on 3 July 2023 and the only issue is that it's still showing on a database as stolen. She said she's contacted UKI to ask for this to be removed so she won't be stopped by the police when she's driving and is waiting for this to be actioned.

Mrs Q said she would like to accept the amount stated in my provisional decision and wanted to thank those involved in helping her resolve the issue.

UKI thanked me for my provisional decision. It said it had no further comments to make and awaited Mrs Q's acceptance of my 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.

As both parties agree with the conclusions I reached in my provisional decision, I see no reason to change them.

Putting things right

UKI should pay Mrs Q a total of £900 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mrs Q's complaint and direct U K Insurance Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Q to accept or reject my decision before 31 July 2023.

Anne Muscroft
Ombudsman