

## **The complaint**

Mr S has complained that U K Insurance Limited trading as Direct Line (UKI) unreasonably refused to provide temporary cover for an additional car he wanted to add to his two policies at varying times.

He's also complained that the renewal premiums for his policies are too high.

## **What happened**

Mr S has two policies with UKI. He also has a car that he treats as a classic car which he adds on to either policy at varying times.

UKI said Mr S had added this car on to his policies too many times as it only allows such temporary cover five times in any one policy year. It said Mr S surpassed this on both of his policies and therefore declined to agree any further instances of temporary cover for this car in the relevant policy year.

As regards the premium increase, Mr S is of the view UKI the premium increase on both policies is far in excess of what any increases the motor industry is facing, and he considered them unfair. He also thought UKI reduced the price once it knew he had brought his complaint to us. UKI on the other hand said it offered an extra discount which was the best it could do on talking to Mr S, which had nothing to do with the complaint being brought to this service. And it said there was nothing wrong with its renewal letter or the details on the portal which Mr S also complained about.

As Mr S remained dissatisfied, he brought his complaint to us. The investigator ultimately didn't uphold it. She could see that UKI didn't make Mr S aware of the limit on how many times in a policy year, temporary cover for another car could be made, but as UKI compensated Mr S for this by paying him £20 compensation, she didn't think it had to do anything further in this regard.

Concerning the premium increase, the investigator was of the view that UKI hadn't done anything wrong in dropping the price when Mr S said he could buy a policy cheaper. Mr S didn't agree so his complaint 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 this complaint. I'll now explain why.

Dealing first with the issue of temporary cover for Mr S' car which he only drives occasionally. I consider it's fair and reasonable that there would be a limit as to how many

times adding another car to a policy is permitted. It's a concession to be used in an emergency rather than how Mr S used it for a car which he only drives occasionally.

Therefore, I don't consider UKI did anything wrong in refusing further on-going instances of this temporary cover for this car when he had exceeded the number of times he could do so. I do however think UKI's wordings in Mr S' policies should have made it clear he was limited to using this temporary cover to five times in any one policy year. So as that wasn't the case, I consider it reasonable that UKI compensated Mr S in the sum of £20 compensation.

I appreciate initially that the investigator was of the view that UKI hadn't paid any compensation for this, so she thought it should pay £80 compensation. I consider that figure to be too high given the concessionary emergency nature of the temporary cover, so I consider the £20 paid by UKI to be more reasonable and fairer, instead. If Mr S wanted to drive this car as often as he has done, I do think it would be more reasonable if he bought a policy for that car or added it in to any multi-car type policy instead.

Turning now to the premium increases, insurers are permitted to price a risk in any way they think fit provided they treat policyholders in similar circumstances the same. So, it's not just a question of pricing premiums for extra costs the motor industry might face as Mr S believes. The regulator permits insurers to decide for themselves what premium to charge for what risk, given they are commercial enterprises.

Here, as it is required UKI provided Mr S with renewal invitations for his two policies. The price quoted on the renewal invitation is only valid until the expiry date of the policy. Therefore, as premium levels change all the time, doing a separate quote during that time-period might generate a higher or lesser premium. So, in then talking to the insurer this might change the renewal premium quoted. So, the renewal premium is merely an offer which the policyholder can either accept or reject as they please. I don't therefore see any need for UKI to post out a new renewal invite for any changes to the original renewal invitation, as Mr S believes.

Mr S hasn't provided any evidence of the reduced quote he obtained, to this service, nor indeed to UKI. Nevertheless, when he brought it to UKI's attention it was able to match his quote for him. From what I understand Mr S did a dummy quote pretending to be a new customer which then generated a lower quote. But as I've no evidence of that and neither has UKI, I can't comment further. It is however standard industry practice that in some cases there is such movement on renewal quotes in this way, given they can fluctuate almost daily. However, there's no evidence at all that UKI decided to reduce the premium quoted simply due to Mr S bringing his complaint to this service.

There's also no evidence that UKI purported to break any regulations either, given it matched the quote Mr S said he had obtained without Mr S producing any evidence. Mr S did mention additional data protection issues, but this service can't deal with those as only the Information Commissioner's Office can do that.

In conclusion I don't consider UKI did anything wrong on the two issues that Mr S complained about.

### **My final decision**

So, for these reasons, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or

reject my decision before 19 December 2023.

Rona Doyle  
**Ombudsman**