

## The complaint

Mr B1 complains on behalf of his son (Mr B) that his broker, Ramasis Limited, acted unreasonably in charging to cancel Mr B's learner driver motor insurance policy.

## What happened

Mr B1 bought an annual learner driver policy for Mr B (a minor) online. He agreed during the sales process that he'd read Ramasis's terms of business and the other details it had set out online. In a validation call with Ramasis, Mr B1 was asked who owned the car and whether there was any other insurance on it. Mr B1 said his wife owned it and was insured. The advisor then said one of the policies on the car would have to be cancelled, as it wasn't possible to have dual insurance cover. Mr B1 called again for clarification and another advisor confirmed that a cancellation was necessary. Mr B1 decided to cancel Mr B's policy.

Mr B1 later complained to Ramasis, having noted that its online information only said that it wasn't possible to have two *annual* policies on the same car, and Mrs B's policy was only temporary. Ramasis didn't uphold the complaint – but subsequently, it told us it didn't deal with dual insured cars - whether or not one of the policies was temporary.

One of our investigators reviewed the complaint, but he didn't uphold it. He said Ramasis's terms of business were brought to Mr B1's attention during the sales process, so he had the chance to query them before he bought the policy. And he also said Mr B1 wasn't an 'eligible complainant' (under the dispute resolution rules that govern our service - as set out by our regulator, *the Financial Conduct Authority*).

As there was no agreement, the complaint was passed to me for review.

## 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 think Mr B1 was confused initially about what had happened, partly because he knew that some businesses are happy to arrange learner driver cover alongside an existing annual policy. I think it's for each insurer to decide if it wants to do that and for each broker to choose what business it takes on. But I think a consumer should be made aware before buying a policy whether other cover on the same car is acceptable or not.

Ramasis provided an '*Important Information for Learner Driver Policies*' note online. Mr B1 read it, but as it only said it wasn't possible to have two *annual* policies on a car at the same time, he didn't think it applied to Mr B. He told us that in the two calls he had with advisors later, they didn't seem to know that Mrs B's policy was temporary. I've listened to the calls, and I think the advisors' understanding of Ramasis's position was that *any* cover on the car - other than the learner driver policy - was unacceptable to it. That fits with what Ramasis told us. But it conflicts with the online note *and* with what Ramasis said in its reply to Mr B1's complaint – which was that it wasn't possible to have two concurrent *annual* policies.

I don't think Ramasis was clear enough about its requirements during the sales process, so I'd have asked it to refund the cancellation charge to Mr B1 had he been an eligible complainant under our rules. I don't think he'd have gone ahead with the policy had he known that even the temporary cover on the car wasn't acceptable. The reason Mr B1 isn't an eligible complainant is because although he's a consumer, he doesn't satisfy the requirement to have a relationship with Ramasis that's set out in the rules. He wasn't its customer or potential customer, as he was acting purely on Mr B's behalf.

As Mr B is an eligible complainant, the rules would allow me to require Ramasis to compensate him. But in order to do that, I'd have to conclude that it did something wrong in relation to Mr B that I can ask it to put right – or that any inconvenience caused to Mr B1 by Ramasis had a knock-on effect on Mr B.

I don't think Mr B lost out financially, as Mr B1 paid the cancellation charge. And although I think it's likely that Mr B1 was inconvenienced to some extent by having to look elsewhere for cover, there's nothing to show that any inconvenience on his part impacted on Mr B. So in my opinion, there's nothing for Ramasis to put right for Mr B.

I understand why Mr B and Mr B1 are likely to be disappointed with my decision. And although I can't uphold Mr B's complaint, I think he and Mr B1 have brought a valid issue to Ramasis's attention, which may lead it to review the wording of the learner driver policy note.

### **My final decision**

My final decision is that I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 November 2023.

Susan Ewins

**Ombudsman**