

The complaint

Mr C has complained that The National Farmers' Union Mutual Insurance Society Limited trading as NFU Mutual (NFU) unreasonably delayed in confirming his on-road motor cover for his motorhome under his motor policy. He has also complained that it unreasonably decided it wouldn't renew his motor policy for his motorhome once that year's cover expired.

What happened

Mr C lives abroad but keeps a motorhome in the UK which was insured by NFU as off-road sometime after 2005, when Mr C first insured this motorhome. On visiting the UK usually annually (but for the pandemic years) Mr C asked NFU to increase his cover to permit his motorhome to be driven on-road, which NFU did each time.

Given Mr C's first intended trip to the UK in October 2023 (following the pandemic), Mr C duly asked NFU to again increase his cover on 19 October 2023 for his intended arrival on 24 October 2023. This time instead of quickly organising this, the adviser sent the request to the underwriting department on 20 October. The adviser chased the underwriting department for their answer on 23 October and underwriting said it wouldn't be able to make the decision by the next day namely Mr C's arrival date. NFU advised Mr C of this delay at that time. The underwriting department responded on 31 October that NFU would provide the requested on-road cover, but it wouldn't renew his policy after it expired the following year.

Mr C said, as a result of not being informed in time, for his arrival to the UK on 24 October 2023, he incurred costs of a hire car and hotel costs in the sum of £1,415 which he believed NFU should now refund. He also was aggrieved his policy wouldn't be renewed so he cancelled it on 3 November 2023 in any event. And he thought that NFU should refund all the annual premium he had paid since 2019.

NFU said in its final response letter of 29 November 2023 that it didn't think it was reasonable for it to refund his costs of his stay in the UK. However, it agreed its communication with him was mismanaged. Therefore, it paid him £150 compensation. It said that because Mr C lived abroad, it couldn't renew his policy after it expired, but it could permit cover until then to include the extended on-road cover too. It also didn't consider it had delayed in making its decision on this matter since it took merely a little over a week. It explained also that in previous years its adjustment to the cover was approved erroneously.

Mr C remained dissatisfied and brought his complaint to us. The investigator was off the view that NFU didn't need to do anything more. Mr C disagreed 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.

I do understand and appreciate that Mr C will be deeply disappointed at my decision too. I have read all his submissions and correspondence to include his last email of 5 May 2024, and I've appreciated the careful attention and the breath of his explanation of his thoughts on this matter as well.

First, the Financial Ombudsman Service is independent of both consumers and the businesses they are complaining about. This means that we don't act for consumers or businesses and neither do we take instructions from consumers or businesses or allow either party to direct the course of our investigations; were we to do so, it would compromise our independence and impartiality. It's also up to us to determine what evidence we may need to investigate a complaint.

Further, my role is limited in that insurers are permitted to decide what risks they wish to insure and which they don't want to insure. This is part of their commercial discretion and fully permitted by the regulator, the Financial Conduct Authority. So, I'm unable to make insurers insure something they clearly don't wish to insure (even if they had done so previously). Also, a motor policy is an annual policy and underwriting decisions on the acceptable risk profile can change year on year as well. Again, this is permitted by the regulator and will form part of the underwriting guide going forwards. That consequently means someone in Mr C's position is not singled out and treated differently either as anyone in a comparable situation would be treated the same, given underwriting guidelines.

So irrespective of the remainder of Mr C's complaint, it's clear in my view that NFU didn't do anything wrong in making the decision that it didn't want to renew Mr C's policy for his motorhome on the basis he lived abroad when it expired this year. NFU is fully entitled to do that if it wished based on its own risk appetite which in turn forms part of its underwriting guide. It gave Mr C ample notice of this too well beyond the normal renewal time frame of three to four weeks, which I also consider is reasonable.

The remainder of Mr C's complaint concerns the lack of confirmation happening early enough that his motorhome would be insured to be 'on-road' again for the duration of his stay in the UK. Obviously given the pandemic, Mr C wasn't travelling back to the UK since 2019 so other than renewing his policy each year to keep his motorhome off-road, NFU hadn't been asked by Mr C to extend his cover to on-road since 2019. And obviously given the pandemic, business working practices also changed considerably plus underwriting and risk appetites would have continued to develop too. However, I don't agree with NFU that the delay in Mr C returning to the UK for the duration of the pandemic was anything he had control over either. Therefore, considering it as a 'change in circumstances' in the way NFU tried to explain is both irrelevant and unfair.

However, I do consider that bearing in mind the hiatus the pandemic caused generally in business practices, it wasn't unreasonable of NFU not being able to make a decision for Mr C, within the four days it was given to do so. More so considering it hadn't had this request from Mr C for four years. His policy clearly stated he had no cover for road use, hence the premium being so low. Therefore its 'natural state' as Mr C calls it, was an off-road, fire and theft motor policy only. Its 'natural state' was changed by Mr C when he asked NFU to extend his cover to 'on-road' whenever he visited. So, I don't agree with Mr C on this point.

It's perfectly possible to buy off-road policies as Mr C has done, since insuring one's vehicle is also a legal requirement, given the Continuous Insurance Enforcement (CIE) regulations. Therefore, it is clearly a legal requirement to insure a vehicle, when it's off-road but doesn't

have a SORN certificate, as otherwise the owner could be fined. So, providing this limited cover off-road policy was perfectly reasonable by NFU and it is different and priced differently than an on-road policy as well. So even though Mr C originally bought an on-road policy I consider that was changed by him when he told NFU (possibly around 2010 according to NFU) it would now be off-road, and the premium charged reflected that too. Therefore, I consider there is no reason for NFU to refund any premium since 2019 as Mr C wants as Mr C had only bought an off-road policy in any event which he was required to do given CIE.

So, considering the above, I don't find it was unreasonable for the NFU operative to send Mr C's request to the underwriting department when it was received on 19 October 2023. I also don't consider the underwriting department providing the answer by 31 October was an undue delay either. Obviously, it was too late for Mr C given he arrived on 24 October, but I consider if NFU had had more time, his expectations would have been better managed, more so given the necessary pandemic gap of four years, since he had done this previously.

Also, I don't consider the point Mr C made in his email of 5 May 2024 so recently received changes things, as he believes. I think NFU's response to his notification that he was finally able to return to the UK following the pandemic was just a normal pleasant acknowledgement of the difficulties so many people experienced travel wise given the effects of the pandemic. It certainly doesn't amount to any legal confirmation of his ability to expand his policy to an on-road policy at all. It just exhibits normal polite and friendly customer service, which any business would and should engage in.

Therefore, I don't consider it would be fair and reasonable in these circumstances to hold NFU responsible for the losses incurred by Mr C either.

NFU clearly acknowledges that it had insured Mr C in error for several years, pre-pandemic, given he both lived abroad and had changed his driving licence to an international one. But nonetheless he had a valid policy – it was simply outside NFU's risk appetite but that doesn't mean if Mr C had had a claim throughout that time, it wouldn't have been paid. Nonetheless NFU felt this mismanagement was wrong, hence it sent Mr C £150 compensation. I consider that was a reasonable thing to do as payment of compensation in this way doesn't and didn't negate Mr C's right to bring this complaint. Also, the amount of £150 is in line with our approach on such matters too.

So, in conclusion, NFU are fully entitled to stop ensuring a risk if they want to do so on an annual policy like the off-road policy Mr C had for his motorhome, provided it gave coherent notice, which here NFU certainly did. Given the cover was agreed to be in place up to the expiry of this year's policy by NFU (notwithstanding Mr C's cancellation of it on 3 November 2023) there is consequently no reason why it should refund any premium from 2019 onwards. I don't consider NFU took too long to make its decision to expand Mr C's policy to an on-road policy in October 2023, given only four days' notice was provided and such extended cover was in any event provided too. Consequently, I don't consider it's responsible for Mr C's costs for his holiday in October. Lastly given it acknowledges it had insured Mr C in error for years and mismanaged his expectations subsequently, I consider it's right it paid him compensation in the figure of £150.

My final decision

Again, I do understand and appreciate Mr C will be very disappointed with my decision, but 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 C to accept or reject my decision before 4 June 2024.

Rona Doyle
Ombudsman