

The complaint

Ms C and her daughter Miss L complain that Advantage Insurance Company Limited mishandled a motor insurance policy.

What happened

Ms C was born in the late 1950's outside the UK. She became resident in the UK in the late 1970's.

In late April 2022, Ms C and Miss L were looking to buy a motor insurance policy. They gave information including that they had each been resident in the UK since birth.

Miss L got a policy and paid about £513.00 for the year from 1 May 2022. She was the policyholder. The policy also covered her father and Ms C as named drivers.

The policy was in the name of an insurance intermediary. Advantage was the insurance company that was responsible for setting the premium.

In mid- May 2022, Advantage found out the correct information about Ms C's length of residency in the UK. It asked for an additional premium of about £104.00.

On 22 May 2022, Ms C and Miss L complained about the additional premium of about £104.00. They asked the intermediary to cancel the policy and asked for a pro-rata refund. Ms C and Miss L also expressed dissatisfaction with being unable to access policy documents online.

By a final response dated 24 May 2022, the intermediary turned down the complaint about the £104.00. It confirmed cancellation and it set out the costs involved and the refund due as follows:

arrangement fee	£ 20.00
telematics device	£ 20.00
charge for time on cover	£ 28.54
cancellation fee	£ 45.00
subtotal	£113.54
less paid	£513.48
refund	£399.94

Ms C brought her complaint to us in early June 2022.

Our investigator said that Ms C and Miss L had also complained that the intermediary hadn't refunded enough – and we would be dealing with that second complaint separately.

Our investigator didn't recommend that the first complaint should be upheld. He thought that Advantage had applied its underwriting criteria correctly and that it was entitled to increase the premium charged accordingly.

Ms C and Miss L disagreed with the investigator's opinion. They asked for an ombudsman to review the complaint. Ms C says, in summary, that:

- She had held a full clean driving licence for 40 years. She had 20 years NCB (no-claims bonus).
- She could not access the policy details online. She complained about this. She never had a chance to check the documents for accuracy.
- She is no higher risk than if she had been born in the UK.
- There is no justification or explanation for the additional premium. It was discriminatory.
- The company kept £113.54 unjustifiably. That included the cost of an unused monitoring device.

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.

Scope of complaint and complaint handling

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules.

One of those rules means that - before we can investigate a complaint – the consumer must first have made that complaint to the firm and waited for up to eight weeks for a final response. That rule applies unless the firm gives consent for us to investigate the complaint anyway.

Also, we operate a two-stage process under which an investigator gives an opinion and, if necessary, an ombudsman gives a final decision on a complaint.

Our investigator said that the complaint about the £113.54 was a complaint that post-dated the final response and the firm hadn't given consent for us to deal with it. So the investigator didn't deal with that aspect of the complaint.

For those reasons, the scope of my final decision is limited to the complaint insofar as it is about the additional premium of about £104.00 and about online access to the policy documents.

Policy documents

Consumer Insurance (Disclosure and Representations) Act 2012 obliges a consumer to take reasonable care not to make a misrepresentation to an insurer when taking out a policy.

There is a period of 14 days from the provision of policy documents for a policyholder to cancel without a fee. So Miss L would've been in a better position if she'd checked the documents and corrected the error within that period.

I'm satisfied that Advantage made the policy documents available to Miss L online on the day she took out the policy.

I accept that Ms C had some difficulty in accessing the documents online. I don't find that unfair as she wasn't the policyholder.

Additional premium

Different insurers assess risk and premiums in different ways. We don't generally have the power to uphold a complaint that some ways are less fair than others.

Nevertheless, we expect the insurer to show us its confidential internal underwriting or pricing criteria, so that we can check that the insurer has applied them correctly. We don't share the confidential criteria with a consumer without the insurer's consent.

I've seen and considered Advantage's underwriting criteria, which we will not share. The criteria assess a higher risk and a higher premium for a driver with fewer years residency in the UK. I accept that this works to the disadvantage of drivers who have lived outside the UK, even before they started driving.

I'm satisfied that Advantage applied its criteria correctly when it asked for the additional premium of about £104.00. I'm satisfied that Advantage treated Miss L and Ms C in the same way as it would've treated any other consumers in their situation.

Conclusion

I don't find that Advantage treated Miss L or Ms C unfairly. So I don't find it fair and reasonable to direct Advantage to do any more in response to this complaint about the provision of policy documents online and about the additional premium.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Advantage Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C and Miss L to accept or reject my decision before 7 November 2023.

Christopher Gilbert

Ombudsman