



<u>Decision Ref:</u>	2020-0065
<u>Sector:</u>	Insurance
<u>Product / Service:</u>	Car
<u>Conduct(s) complained of:</u>	Dissatisfaction with customer service Refusal to insure - failure to renew policy
<u>Outcome:</u>	Rejected

LEGALLY BINDING DECISION OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

Background

The Complainant, who is in his 70s, held a motor insurance policy with the Provider for a number of years, in respect of his vehicle. The policy was due for renewal in June 2018.

The Complainant's Case

The Provider wrote to the Complainant on 9 May 2018 offering an online renewal quote in the amount of €354.16 or a telephone renewal quote of €393.51. The Complainant sought to pay the renewal premium by way of cheque but he advises that the Provider *"said I could only pay [the premium] online and refused my cheque...saying that they had no facilities to process cheque"*. As the Complainant was then not in a position to pay the premium as he was abroad on holiday, and then subsequently visiting his *"seriously ill"* relative in England, his motor insurance policy with the Provider lapsed at 23:59 on 3 June 2018, due to the non-payment of the renewal premium.

The Complainant later sought by telephone on 27 November 2018 to once again insure his 1994 vehicle with the Provider, but the Agent advised during this call that the Provider could not offer terms for a vehicle of that age and later it was confirmed by way of letter dated 29 November 2018 that the Provider was unable to provide him with a quote as his *"vehicle details are outside our current acceptance criteria for this class of insurance"*.

In his correspondence to this Office dated 27 March 2019, the Complainant set out his complaint, as follows:

"I had a motor car insurance policy with [the Provider] for more than 10 years until June 2018 for [make and model] [1994]. I was given a quotation for coming year, which I accepted. [The Provider] said I could only pay it online and refused my cheque...saying that they had no facilities to process cheque.

In the meantime I had to go to [family event] in [location abroad] and when I came back I had to go to...England as my [relative] was taken seriously ill. When I returned from England I was told that [the Provider] would not renew my policy for coming year because my policy had lapsed ...

I am a retired xxx xxx and I am driving since I was 19 and I have never been refused insurance before. I think that insurance companies are abusing the privileged position they have in Ireland.

My car is in pristine condition and as body is galvanised there is no rust or deterioration on it and it has always passed car test which I can proof. I never had an accident or a claim against any insurance company and I was trained to drive by [former employer]. During my time as a [detail withheld] I never had an accident. There are many cars the same make and age as mine still on the road because they were so well made".

In this regard, the Complainant considers that he accepted (on the telephone with the Provider on 24 May 2018) the renewal terms offered by the Provider in its correspondence of 9 May 2018 by offering to pay the premium due by way of cheque, but that the Provider refused to accept payment from him by this method and instead directed him to pay by card. The Complainant submits he could not then renew his policy as he then went abroad and when he returned to Ireland some months later, the Provider then refused to insure his vehicle due to its age.

The Complainant's complaint is that the Provider wrongly or unfairly refused to let him pay his renewal premium due in June 2018 by way of cheque, and that it then wrongfully lapsed his motor insurance policy due to the non-payment of premium and later, in November 2018, declined to offer him terms to insure his vehicle due to its age, despite having offered him renewal terms for the same vehicle a number of months earlier, in May 2018.

The Provider's Case

Provider records indicate the Complainant held a motor insurance policy with the Provider in respect of his 1994 vehicle, which was due for renewal on 4 June 2018. In this regard, the Provider wrote to the Complainant on 9 May 2018 offering an online renewal quote in the amount of €354.16 or a telephone renewal quote of €393.51 and which stated, "You can pay in full by card or by monthly instalments with a deposit".

The Provider telephoned the Complainant on 24 May 2018 to follow up on his renewal as it was nearing the expiry of his policy. During this telephone call, the Complainant queried the renewal premium and advised he would pay by cheque. The Agent informed the Complainant that the Provider does not take payments by cheque. The conversation continued, and the Complainant then referred to getting a credit union cheque but the Agent again explained that the Provider had no facility for receiving cheque payments but that he could pay his renewal by way of card. The Provider notes that the conversation was mainly in relation to the renewal price, but that the method of payment was discussed and clarified a couple of times.

The Provider ceased accepting cheque payments from 2016. In this regard, the renewal notice dated 12 May 2016 that the Provider sent to the Complainant stated the following on the first page:

“Don’t forget to renew before 04 June 2016 as there won’t be any cover available after this date. You can pay for your policy in full by card or by deposit and monthly instalments. Please note that we no longer accept cheque payments”.

Provider records indicate that the Complainant paid his 2016 and 2017 renewal cost by way of card over the telephone, without any issue being raised at those times.

Following its telephone call with the Complainant on 24 May 2018, the Provider sent an SMS text message to his mobile on 27 May and 31 May 2018, as follows:

*“Hello [Complainant], just a gentle reminder that your Car Insurance is due on 03 June, 2018. You can renew online at [www.***.ie/car-renew] and get up to 10% online renewal discount (subject to minimum premium).*

In addition, the Provider also telephoned the Complainant on 1 June 2018. His wife advised that the Complainant was in Dublin for the day and that she would let him know that it had called. At no stage was there any reference to the Complainant having to leave the country for a family emergency or there being any other difficulty with his renewal.

Despite these reminders, the Complainant did not renew his motor insurance policy and it expired at 23:59 on 3 June 2018.

The Complainant next contacted the Provider by telephone on 27 November 2018, seeking to once again insure his vehicle with it. His vehicle was a 1994 [make and model], the age of which took this risk outside of the underwriters’ risk appetite for new business at that time. Whilst the Provider and its underwriters would continue to offer renewal on an existing policy for a vehicle of this age, it is not a vehicle that its underwriters would wish to take on as a new risk. In this regard, the Provider notes that it is within the commercial discretion of its underwriters to set its risk appetite and to only seek to underwrite risks that fall within this.

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In conclusion, the Provider is satisfied that the Complainant had been advised in 2016 that the Provider was no longer accepting payments by cheque. Renewal terms were offered to the Complainant in May 2018 and the payment options were clearly set out. The Provider followed up with the Complainant on a number of occasions to facilitate renewal of his policy but his motor insurance policy lapsed at 23:59 on 3 June 2018, due to the non-payment of the renewal premium.

When the Complainant later contacted the Provider in November 2018 to once again insure his vehicle, the Provider advised that its underwriters would not offer new business terms for a car manufactured in 1994. The Provider confirms that whilst a car of this age cannot be underwritten through its underwriters, it is open to providing cover to the Complainant as a direct customer of the Provider under the declined cases process and this can be arranged directly with the Provider, should the Complainant now wish to do so.

The Complaint for Adjudication

The complaint at hand is that the Provider wrongly or unfairly refused to let the Complainant pay his renewal premium due in June 2018 by way of cheque, and that it then lapsed his motor insurance policy due to the non-payment of premium and later, in November 2018, declined to offer him terms to insure his vehicle due to its age, despite having offered him renewal terms for the same vehicle a number of months earlier, in May 2018.

Decision

During the investigation of this complaint by this Office, the Provider was requested to supply its written response to the complaint and to supply all relevant documents and information. The Provider responded in writing to the complaint and supplied a number of items in evidence. The Complainant was given the opportunity to see the Provider's response and the evidence supplied by the Provider. A full exchange of documentation and evidence took place between the parties.

In arriving at my Legally Binding Decision I have carefully considered the evidence and submissions put forward by the parties to the complaint.

Having reviewed and considered the submissions made by the parties to this complaint, I am satisfied that the submissions and evidence furnished did not disclose a conflict of fact such as would require the holding of an Oral Hearing to resolve any such conflict. I am also satisfied that the submissions and evidence furnished were sufficient to enable a Legally Binding Decision to be made in this complaint without the necessity for holding an Oral Hearing.

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A Preliminary Decision was issued to the parties on 24 January 2020, outlining the preliminary determination of this office in relation to the complaint. The parties were advised on that date, that certain limited submissions could then be made within a period of 15 working days, and in the absence of such submissions from either or both of the parties, within that period, a Legally Binding Decision would be issued to the parties, on the same terms as the Preliminary Decision, in order to conclude the matter.

In the absence of additional submissions from the parties, within the period permitted, the final determination of this office is set out below.

I also note the Provider's position that it ceased accepting cheque payments from 2016. In this regard, I note from the documentary evidence before me that the renewal notice dated 12 May 2016 that the Provider sent to the Complainant stated the following on the first page:

"You can pay for your policy in full by card or by deposit and monthly instalments. Please note that we no longer accept cheque payments".

[Emphasis added]

I note that the Provider advises that the Complainant paid his 2016 and 2017 renewal by way of card over the telephone.

I also note that the Provider sent the Complainant a Renewal Notice on 9 May 2018, which advised, *inter alia*, as follows:

"You can pay in full by card or by monthly instalments with a deposit".

The Provider telephoned the Complainant on 24 May 2018 to remind him that his motor insurance policy was due for renewal. Having listened to a recording of this telephone call, I am satisfied that the Agent made it clear to the Complainant that the Provider had no facility to accept premium payments by cheque but advised that he could pay by card. As a result, I am satisfied that the Provider gave the Complainant the appropriate notice that his premium could no longer be paid by way of cheque.

I note that the Renewal Notice the Provider sent to the Complainant on 9 May 2018 also advised, *inter alia*, as follows:

"Don't forget to renew before 23:59hrs on 03 June 2018 as after that time you won't have insurance cover".

I see that the Provider rang the Complainant on 24 May 2018 to remind him that his motor insurance policy was due for renewal. Having listened to a recording of this telephone call, I note that the Agent advised that he was offering the Complainant the lower online premium rate of €354.16 but I am satisfied that the Complainant indicated that he was not certain whether he wanted to renew his policy at that time and was hoping for a better price.

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Following its telephone call with the Complainant on 24 May 2018, the Provider sent an SMS text message to his mobile on 27 May and 31 May 2018, as follows:

*“Hello [Complainant], just a gentle reminder that your Car Insurance is due on 03 June, 2018. You can renew online at [www.***.ie/car-renew] and get up to 10% online renewal discount (subject to minimum premium).”*

I note that the Provider also telephoned the Complainant on 1 June 2018 to remind him once again that his motor insurance policy was due for renewal. Having listened to a recording of this telephone call, I note that the Complainant was not at home and his wife indicated *“he is getting the insurance with you, as far as I know”*. Nevertheless, the onus was on the Complainant himself to pay the premium due, in order to renew his policy and it would have been prudent of him to have done so if he wanted to maintain cover.

I am satisfied that the Provider gave the Complainant ample notice that his then existing motor insurance policy was due to expire at 23:59 on 3 June 2018, that is, in writing on 9 May, by telephone on 24 May, by SMS text messages to his mobile on 27 May and 31 May and once again by telephone on 1 June 2018. In this regard, I note that the Complainant’s policy expired at 23:59 on 3 June 2018, as the Provider had advised him it would, as he had not paid the renewal premium nor indeed had he confirmed to the Provider that he intended to renew his policy but was experiencing difficulty in doing so.

I note that some 5 months later, on 27 November 2018, the Complainant sought once again to insure his vehicle with the Provider. His car was a 1994 [make and model], the age of which took the risk outside of the underwriters’ risk appetite for new business at that time. In this regard, whilst the Provider and its underwriters would continue to offer renewal on an existing policy for a vehicle of this age, I accept the Provider’s advice that it is not a vehicle that its underwriters would wish to insure as a new risk. I also accept the Provider’s position that it is within the commercial discretion of its underwriters to set its risk appetite and to only seek to underwrite risks that fall within this. I note, however, that the Provider has since advised that it is open to providing cover to the Complainant as a direct customer of the Provider, under the declined cases process and that this can be arranged directly with the Provider should the Complainant now wish to do so.

It is my Decision therefore, on the evidence before me that it is not appropriate to uphold this complaint.

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Conclusion

My Decision pursuant to **Section 60(1)** of the ***Financial Services and Pensions Ombudsman Act 2017***, is that this complaint is rejected.

The above Decision is legally binding on the parties, subject only to an appeal to the High Court not later than 35 days after the date of notification of this Decision.

**MARYROSE MCGOVERN
DIRECTOR OF INVESTIGATION, ADJUDICATION AND LEGAL SERVICES**

17 February 2020

Pursuant to *Section 62* of the *Financial Services and Pensions Ombudsman Act 2017*, the Financial Services and Pensions Ombudsman will publish legally binding decisions in relation to complaints concerning financial service providers in such a manner that—

- (a) ensures that—**
 - (i) a complainant shall not be identified by name, address or otherwise,**
 - (ii) a provider shall not be identified by name or address,**
 - and**
- (b) ensures compliance with the Data Protection Regulation and the Data Protection Act 2018.**