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| <u>Decision Ref:</u> | 2020-0217 |
| <u>Sector:</u> | Insurance |
| <u>Product / Service:</u> | Car |
| <u>Conduct(s) complained of:</u> | Dissatisfaction with customer service Delayed or inadequate communication Maladministration |
| <u>Outcome:</u> | Rejected |

LEGALLY BINDING DECISION OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

The Complainant held a motor insurance policy with the Provider, which was due for renewal on **3 May 2019**.

The Complainant's Case

The Provider sent the Complainant a renewal notice dated **4 April 2019** in the amount of €692.66.

The Complainant telephoned the Provider on **11 April 2019** to express his dissatisfaction with the renewal premium offered, as he had paid only €635 the previous year. The Agent advised the Complainant that any query he had was to be submitted to the Provider in writing. The Complainant then requested the Agent to transfer his call through to her Team Manager Mr E., who also advised that any queries the Complainant had were to be submitted in writing.

As a result, the Complainant emailed the Provider later on 11 April 2019, as follows:

"It is with much regret that I have to resort to writing a notice of complaint due to the attitude shown toward me as a customer, the fact that your company refuses to deal with me in a civil manner is very disappointing. The staff only direct me to this email address as it is clearly the company's policy to only deal with me [by email] because I highlight the hipacritical (sic) way you do business. I am told that they will not discuss my policy with me over the phone. This despite me being a long standing customer of 10 years or more, paying in full at premium date and clear driving for the last 5 years.

I am clearly being stonewalled by the customer service department. I cannot discuss my policy without discussing the price and as soon as I mentioned the price I am shut down. It is an appalling customer service and a clear tactic employed to avoid answering relevant questions about how my policy is priced. Your company posted a profit of 50 million this year and yet prices have gone up yet again. I have been offered better treatment and price from another company and am struggling to see why I don't accept their offer.

I have asked for a manger call back but this too has been refused”.

The Complainant did not renew his motor insurance policy with the Provider and it lapsed on 3 May 2019.

In this regard, the Complainant sets out his complaint in the Complaint Form, as follows:

“I have been a customer with [the Provider] for the last 12 years or thereabout. I have become aware that [the Provider] have now a remark on my profile which instructs any member in [its] call centre...that I am only to engage with them in writing. They refuse to discuss my policy over the phone.

I have a full no claims bonus, no claims, no penalty points or convictions. I always pay my premium in full in advance of the policy and do very little mileage ...

I noticed in 2017 that my policy was being loaded because of my address. I noticed this when I used my details and put an address in which is just the other side of the road. The [postal] boundary of Dublin [number] and Co. Dublin is split by [named road]. I asked [the Provider] if they were insuring me or my postcode and how can they justify this in the pricing.

After this, I made a complaint around the customer service and [the Provider] effectively brushed it aside and dismissed any issue. This despite members of staff terminating calls on more than one occasion. One staff member told me, I should be happy paying what I paying because she was paying more, even though she had young drivers on her policy.

I experienced the same in 2018, being dismissed and they refused any manager call back requests saying they will only deal with me in writing. I also know that a Team Leader [Mr E.] placed this note on my profile, this was confirmed on a call on the 17th April 2019 at 5.17pm approx. with a customer service agent...who again terminated the call.

I also got a text message [17 April 2019 at 14:05] urging me to “Contact [the Provider] today in [location] to get an early renewal discount”, but this can't be availed of because [the Provider] refuse to deal with me over the phone.

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I have noticed a huge decline in service from [the Provider] since they moved to [location], the company has been operating for 50 years and I have been a customer for more than 20% of [its] existence and supported them during the financial downturn in an effort to support Irish business.

I cannot discuss my policy on the phone, my preferred method. [The Provider] are stonewalling me and treating [me] different than any other customer. This is wholly unacceptable in my opinion”.

As a result, the Complainant advises, as follows:

“I want to be treated fairly and engage with [the Provider] in my preferred method of communication. I would like sanctions placed on the Team Leader for pursuing this stonewalling and the customer complaint manager to be reminded of her responsibility to the customer. Retraining of any of the staff who refused to deal with me. I do not wish to seek a payment of money ... I would also like to discuss my policy in a clear and transparent way, be able to question how my policy is being loaded and be treated fairly”.

The Provider’s Case

Provider records indicate that the Complainant, having been a customer since 2005, is no longer an active policyholder with the Provider since 3 May 2019.

The Provider notes a trend that had developed where the Complainant contacted the Provider on receipt of his renewal notice each year to complain about the premium rate offered. For example, the Complainant expressed his dissatisfaction with the renewal premium of €770.16 offered on **29 March 2017** as he had obtained different quotations from the Provider’s website at that time, which the Provider notes ranged from €632.31 to €895.61. It was highlighted to the Complainant that these were not valid for various reasons including, amongst other things, the number of claims in the past 5 years had been entered incorrectly as zero and/or a vehicle registration number was not entered and/or the address had been entered using a different County.

Nevertheless, in order to facilitate the Complainant, the Provider offered him a discretionary discount in the amount of €38.51 and he proceeded to renew his motor insurance policy in May 2017 for the revised premium of €731.65.

Similarly, the Complainant expressed his dissatisfaction with the renewal premium of €750.18 offered on 30 March 2018 as he had obtained different quotations from the Provider’s website at that time. The Provider notes however, that these were not valid as he had inputted an incorrect correspondence address. Nevertheless, in order to facilitate the Complainant, the Provider offered the Complainant a discretionary discount of €115.18, which is far in excess of its normal discretionary practice, and he proceeded to renew his motor insurance policy in May 2018, for the revised premium of €635.

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The Complainant telephoned the Provider on 11 April 2019 and expressed his dissatisfaction with the renewal premium of €692.66 offered on 4 April 2019. The Agent advised that she would have a look at what she could do for him and then offered the Complainant the same premium as the previous year, €635.

The Agent also advised the Complainant that any query he had in relation to the pricing was to be submitted to the Provider in writing. The Complainant then requested the Agent to transfer his call through to her Team Manager Mr E., who also advised the Complainant that any queries he had regarding terms, rates or pricing must be submitted to the Provider in writing.

In response to his ensuing email complaint on 11 April 2019, the Provider wrote to the Complainant on 15 April 2019, as follows:

"Thank you for your written complaint received on the 11 April 2019 regarding the Customer Service you received. I appreciate you bringing this matter to our attention.

I understand that you contacted our Customer Care Centre on the 11 April 2019 regarding your private motor vehicle renewal. The renewal of your price motor vehicle falls due on the 03 May 2019 and your renewal premium was issued for the amount of €692.66. During a conversation with our Customer Care Representative on the 11 April 2019 a revised premium of €635.00 was offered to you. From reviewing your call on the 11 April 2019 I understand that you requested to speak with a Team Leader.

On the 11 April 2019 our Team Leader confirmed that our Customer Care Agent had offered a revised renewal premium of €635.00. During this call our Team Leader advised that he could not discuss our pricing structures with you, This is standard procedure. Our Team Leader also advised you that any further queries that you may have would need to be submitted in writing.

I note that later on that day you contacted our Customer Care Centre and requested a transfer to the complaints department. Our Customer Care Representative advised you that he could take your details and transfer all queries to the relevant department. Our Customer Care Representative advised you to alternatively submit your query in writing to [info@\[Provider\].ie](mailto:info@[Provider].ie).

With reference to your email dated 11 April 2019, I note that you expressed your dissatisfaction with the service provided to you by our staff members. I can assure you that following my review of all calls received from you to our Customer Care Centre on the 11 April 2019, the customer service representatives and the Team Leader that dealt with you handled your queries in line with the professional standards we expect from our staff members.

We are unable to take this matter further and thank you for taking the time to raise your complaint with us".

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The Provider says that each year the Complainant has complained “*on receipt of his renewal notice regarding premium, however then turned the issue into customer service*”. The Provider has responded to each of these complaints formally, in April 2016, April 2017, April 2018 and April 2019, each time advising the Complainant of his right to refer his complaint onward to the Financial Services and Pensions Ombudsman.

The Provider says that each year prior to his renewals, its sales staff had numerous lengthy conversations with the Complainant, the duration of which ranged from 15 minutes, to more than 1 hour 40 minutes. Whilst it is happy to discuss any queries a customer may have in relation to policy cover, in the Complainant’s case, his main query each year was in relation to the Provider’s rating and pricing structure. This information is commercially sensitive and is not something that the Provider will discuss with a customer. In this regard, in its correspondence to the Complainant dated 9 April 2018, the Provider advised,

“We will no longer be engaging with you on any matters relating to our internal policy rating structures.”

The Provider says that the Complainant did not accept the fact that the Provider would not engage with him in relation to its pricing structure. It says that each year, the Complainant would then attempt “... *to attain this information through various other means of questioning. This results in perplexing conversations for both the Provider and our sales staff. For simplicity reasons and to avoid confusion for both the Complainant and our sales staff*” the Complainant was asked to correspond with the Provider in writing in relation to any queries he may have regarding his cover, thereby ensuring that it can furnish the Complainant with the exact information required.

The Provider acknowledges that it did send the Complainant a text on 17 April 2019 stating “*Contact [the Provider] today in [location] to get an early renewal discount*”. In this regard, the Provider has no objection talking with the Complainant regarding renewal discounts, hence his inclusion in its Provider’s early renewal discount promotion.

In conclusion, the Provider is satisfied that its staff members who dealt with the Complainant acted professionally and that it was repeatedly made clear to the Complainant verbally and in writing that the Provider was not obliged to, nor would it, discuss its rating or pricing structure with him. The Provider is satisfied that it has exhausted every method in trying to resolve matters with the Complainant and that the service provided to the Complainant by its staff was to the requisite standard that it aims to deliver.

The Complaint for Adjudication

The complaint is that the Provider was guilty of poor customer service to the Complainant, in particular that it refused to deal with the Complainant by telephone and will now only deal with him in writing, although telephone communication is his preferred method of contact.

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.

A Preliminary Decision was issued to the parties on **12 May 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.

Following the consideration of additional submissions from the parties, the final determination of this office is set out below.

The complaint at hand is that the Provider provided the Complainant with poor customer service, in particular that the Provider has refused to deal with the Complainant by telephone and will now only deal with him in writing, though telephone contact is his preferred method of communication. In this regard, the Complainant held a motor insurance policy with the Provider, which was due for renewal on 3 May 2019. The Provider sent the Complainant a renewal notice dated 4 April 2019 in the amount of €692.66.

The Complainant telephoned the Provider on 11 April 2019 to express his dissatisfaction with the renewal premium offered. I note that the Agent advised the Complainant that she would have a look at what she could do for him and then she offered the same premium as the previous year, €635. She also advised the Complainant that any query he had in relation to the Provider's pricing structure had to be submitted to the Provider in writing.

The Complainant requested the Agent to transfer him through to her Team Manager, which she did, and having listened to the recording of this telephone call I note the exchange between the Complainant and the Team Manager Mr E. that ensued, as follows:

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Team Manger: *What can I do for you?*

Complainant: *Well, I'd like to discuss how you arrived at the figures –*

Team Manager: *The premiums were issued out to you and you were advised on several occasions that any queries need to be sent in in writing [Complainant's First Name]. I won't be discussing how our prices met. We offered a discount, offered the max, last year's renewal, that's as far as we're going on it, I'm afraid.*

Complainant: *And why are you refusing to discuss it?*

Team Manager: *You've received a letter in relation to the policy queries there before that any price queries, that, or any queries at all you have in relation to your policy need to be sent in in writing*

Complainant: *And is that, is that just applicable to me?*

Team Manager: *That's how we're handling this policy, I'm afraid*

Complainant: *Is that, is that just applicable to me?*

Team Manager: *[Complainant's First Name], [Complainant's First Name], that's how we're handling the policy. I've offered you the discount on it. We've looked at your price. I've offered the max, last year's renewal, that's as far as I'm going on it. We're not obliged to issue out our pricing structure to anybody or, em, or any client, for that matter, not just yourself and we won't be doing it*

Complainant: *But you are dealing with the customer service end of things differently with me?*

Team Manager: *Ok. You've been advised previously in writing that anything that you need to discuss needs to be sent in in writing. I can't do anymore for you [Complainant's First Name], I'm afraid. Did you want to go ahead with the €635 or what way did you want to go?*

Complainant: *Well I doubt I probably will now at this stage*

Team Manager: *Ok. Look I have a note left on the policy that we have agreed €635, if you want to go ahead with it, by all means give us a call back on it*

Complainant: *So I'm just trying to check something else here*

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Team Manager: *Yeah, that's ok – go ahead*

Complainant: *You are refusing to deal with any queries over the phone*

Team Manager: *In relation to the price or how we come up with our structure on it*

Complainant: *Or in relation to the policy?*

Team Manager: *Well what would you like to know about the policy?*

Complainant: *Well, I would like to know where the loading on the policy is?*

Team Manager: *Ok. Again, that's price structure. We won't be discussing anything like that over the phone. If you have any queries, send them in in writing and we'll have a response out to you -*

Complainant: *And this is standard practice for any customer?*

Team Manager: *Standard practice in relation to any pricing structure, it is. Queries.*

Complainant: *But I'm, I'm just wondering how the rates gone up if you made a profit of €50 million this year*

Team Manager: *Ok. I'm not going to discuss this any further. I've offered you the price. I'm not going to discuss this any further than this [Complainant's First Name] and that's being straight, straight with you*

Complainant: *Ok. Who is your supervisor?*

Team Manager: *My supervisor is [Ms. A.] and my manager is [Mr M.]. If you, if you send in anything in writing we'll get a response out to*

Complainant: *Can you put me through to [Mr M.] please?*

Team Manager: *No. Not at the moment, I won't be able to do that, I'm afraid*

Complainant: *Can you organise a call back?*

Team Manager: *I'll speak to him but he doesn't generally deal with prices, to be fair*

Complainant: *Its not to do with prices, it's to do with the service that I'm -*

/Cont'd...

Team Manager: *Ok. Ok. I'll speak to him and if he's able to give you a call today, he will*

Complainant: *Ok*

Team Manager: *Alright? Thanks for your time [Complainant's First Name]"*.

The Complainant's motor insurance policy was an insurance policy like any other contract, that is, it is based on the legal principles of offer, acceptance and consideration. Each year, the Insurer may offer terms, which includes the premium for the period in question, that can be accepted by those seeking insurance if they wish.

I appreciate the Provider's position regarding information relating to its rates and pricing structure. I accept that these details are commercially sensitive matters and I accept that this is not something that the Provider or any other insurer will discuss with any customer, nor is it obliged to.

I note from the evidence before me, the recordings of telephone calls between the Complainant and the Provider that took place in 2017 on 3 April, 4 April, 5 April and 19 April; in 2018 on 3 April, 19 April and 10 December; and in 2019 on 11 April, 17 April and 29 April.

Having listened to these recordings, I am of the opinion that the different Agents who dealt with the Complainant throughout were professional, courteous and patient, often in the face of adverse and challenging discourse, and they each made great efforts to assist him. In addition, whilst I am satisfied that the Provider clearly and repeatedly advised the Complainant that it would not discuss its pricing structures with him, I note that nevertheless the Complainant persisted with such queries throughout these telephone calls.

As a result, I am satisfied that, however undesirable a stance it may have been for both parties, the Provider's eventual decision to refuse to discuss these matters with the Complainant by telephone, was a reasonable position for it to adopt in the circumstances. From that point on, it remained open to the Complainant to communicate with the Provider in writing regarding these issues, if he wished to do so.

I note that, in the event, the Complainant elected not to renew his policy at the same premium level, as he had for the previous year, as the Provider had offered. Rather it seems that his insurance needs were satisfactorily met elsewhere, and as the Complainant is no longer a policyholder with the Provider the customer relationship has since come to an end.

It is my Decision therefore, on the evidence before me, that it would not be reasonable 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
DEPUTY FINANCIAL SERVICES AND PENSIONS OMBUDSMAN**

8 June 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.