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MEDIA INFORMATION

FSCS works with MIB to identify Enterprise policyholders driving without insurance

FSCS has been working with MIB (Motor Insurers' Bureau) who are identifying former Enterprise Insurance motor policyholders who have not found new insurance policies following the collapse of the company. Consumers who have not updated their policies could be putting themselves and others at risk.

Since the liquidator disclaimed (cancelled) the policies on 26 October, drivers are no longer insured unless they (or their broker) arranged alternative cover. And FSCS cannot protect Enterprise insurance claims where an accident occurred after that date. Thousands of policyholders were affected by the disclaiming of these policies, and FSCS has made approximately 19,500 payments on policyholders' claims since that time.

MIB, which compensates the victims of uninsured driving and assists the police and DVLA with insurance enforcement, has reviewed the insurance records held on the Motor Insurance Database (MID). MIB has written to those identified individuals who have not yet updated their policy, to remind them to buy an insurance policy with a new insurer as soon as possible. On Monday 7 November MIB wrote to 11,500 motorists who, it appeared from reviewing the records on the MID, were yet to take action and update their insurance, or the record on the database, with a new provider. Some of these motorists may be unknowingly driving without insurance.

FSCS Chief Executive, Mark Neale says: "We have been working hard to pay claims by Enterprise motor policyholders since the policies were cancelled. It is concerning to learn from MIB that there are still policyholders who have not changed their insurance provider. I would strongly advise consumers to check their policy documents and speak to their broker as a matter of urgency."

Ashton West OBE, Chief Executive at MIB said, "It's essential that all motorists not only have insurance, but that it's recorded on the MID as soon as possible. This means that they won't be subject to any enforcement by the police and DVLA. It is illegal to drive without insurance and the consequences are very serious."

Notes to editors

1. FSCS is the UK's statutory compensation scheme for customers of authorised financial services firms. FSCS is funded by the financial services industry and protects investment business, deposits, home finance – mortgage – advice, and general insurance and insurance broking. FSCS can pay for financial loss if a firm cannot pay claims against it. It is independent, and does not charge individual customers for using its service.
2. Enterprise Insurance is a Gibraltar based insurance company that was declared insolvent on 22 July 2016. No policies have been accepted by the company since that date.
3. MIB (www.mib.org.uk) aims to operate a centre of excellence to: significantly reduce the levels and impact of uninsured and untraced driving in the UK; compensate innocent victims of uninsured and untraced drivers fairly and promptly; and deliver first-class, secure, data asset management and analytical services on behalf of their Members and the insurance industry.
4. There are consequences for driving without insurance as well as keeping a car without insurance. For those caught driving without insurance the consequences include:
 - seizure of the vehicle by police
 - six points on their driving licence
 - £300 fixed penalty fine or unlimited fine if prosecuted in court
5. A registered keeper, whose vehicle is not declared as off the road (SORN), must have insurance. Penalties under continuous insurance enforcement include:
 - a fixed penalty of £100
 - having the vehicle clamped, seized and destroyed
 - Court prosecution and a fine of up to £1,000.

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