

## **The complaint**

Y complains that One Sure Insurance Limited mishandled a fleet insurance policy.

Y is a courier company represented by Mrs I.

Where I refer to One Sure, I include employees and others insofar as I hold One Sure responsible for their acts or omissions.

## **What happened**

One Sure acted as an intermediary between Y and insurers. For the year from 21 July 2020, One Sure arranged a policy for a fleet of 5 vehicles at a premium of £20,234.68. Y was paying that by instalments.

From around December 2020, One Sure – at the request of the insurers – asked Y for some documents. On 8 January 2021, One Sure sent Y a 7-day notice of cancellation of the policy.

On 6 February 2021, One Sure sent Y a letter saying that the policy had been cancelled. So Y needed a new policy in February 2021 instead of in July 2021. Y says the new policy cost about £24,000.00.

One Sure said that - because of a claim - the whole of the yearly premium was payable. So, rather than a refund for the period February to July 2021, One Sure said Y owed a balance.

Y complained to One Sure that it had cancelled the policy without giving a reason – and Y did not owe the balance.

By a letter dated mid-February 2021, One Sure told Y of its right to bring its complaint to us. Y brought its complaint to us in late February 2021.

### *our investigator's opinion*

Our investigator recommended that the complaint should be upheld. The investigator didn't think that - when the insurers had requested the lease agreements – One Sure asked Mrs I for the lease agreements. The investigator thought that One Sure was responsible for the cancellation having been enforced. The investigator recommended that One Sure should:

1. calculate the pro-rata time on risk from 21 July 2020 to cancellation date of 6 February 2021; and
2. confirm the payments made towards the policy (Mrs I has provided evidence that seven direct debit payments were made totalling £17,170.98); and
3. pay the difference between this with no cancellation charges added + 8% statutory interest from the date the policy was cancelled; and
4. pay the difference between the increase in premium of the consumer's new policy

upon evidence of this by Mrs I of the amount +8% statutory interest from the date the policy was cancelled; and

5. provide Y with a letter to advise the cancellation was done incorrectly so that this can be provided to any future insurer; and
6. pay Y £200.00 for inconvenience.

*my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Y and to One Sure on 26 March 2022. I summarise my findings:

Y wouldn't have been able to provide either V5s or leasing agreements in the name of Y. So I thought it was inevitable that the insurers would've cancelled the policy.

I didn't find that One Sure caused, or was responsible for, the insurers' decision to cancel the policy.

The charge for time on cover is a charge set by the insurers. So I didn't hold One Sure responsible for its calculation.

The legal assistance and arrangement fees were non-refundable in line with One Sure's terms of business.

The cancellation fee of £85.00 is higher than I would usually expect. But the policy had involved documents for several vehicles. So I was minded that £85.00 was proportionate to the administrative work involved.

Subject to any further information from Y or from One Sure, my provisional decision was not to uphold this complaint. I didn't intend to direct One Sure Insurance Limited to do any more in response to this complaint.

One Sure accepted the provisional decision and had nothing to add.  
Y disagreed with the provisional decision. Mrs I says in summary, that:

- One of the vans is a company owned/registered vehicle. She has sent us the V5.
- Y had insurance with the same insurer and broker for 3 consecutive years for the same vehicles. Y paid approximately £55,000 for premium for these 3 years. In the fourth year, the broker transferred its commercial part to One Sure. They said they are too busy to deal with this type of policies.
- When Y asked them to update its company address from one address to another in the same street, One Sure raised the premium with \$1,400. Y didn't have much time to browse for other quotes and purchased this one.
- The insurer had provided coverage for four consecutive years with the same vehicles and for the same company. So there was no reason to cancel. They had on file all of Y's documents all these years and obviously have accepted them previously.
- Y had a valid lease agreement, a copy of which was requested from One Sure after the policy was cancelled. Y have provided copies (by email dated 17 February 2021) thinking One Sure needed those in order to reinstate the policy. Unfortunately they

advised they only needed these in order to obtain a new quote from a different insurer. However, they said they can request a new quote, but the new quote will not cancel the outstanding amount they require Y to pay.

- The rent commencement date on the second page of the lease agreement is when Y requested a copy of the lease agreement from the company with updated terms previously agreed.

### **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.

As I've said, One Sure was acting as an intermediary between Y and insurers. I wouldn't hold One Sure responsible for the actions of the insurers unless One Sure – by act or omission - caused the insurers to take actions that they wouldn't otherwise have taken.

I haven't seen enough evidence to show what happened in the few years before July 2020. From what Y has said, a predecessor acted as intermediary before One Sure took over its business. In view of what happened later, I can see why Mrs I's recollection is that One Sure was less interested in Y's business. But I've focussed on the acts or omissions for which One Sure was responsible.

Y has said that One Sure raised the premium on a change of address. But I find it more likely that the premium was set by the insurers. So I don't hold One Sure responsible for its calculation.

Whatever happened in previous years, I don't hold One Sure responsible for the insurers' requests for documents for the policy year from July 2020.

On 22 December 2020, the insurers asked One Sure to get certain documents from Y including V5 vehicle registration documents (or lease agreement for any leased vehicle) and a utility bill.

On 31 December 2020, One Sure asked Y for documents.

On 8 January 2021, One Sure emailed Y a reminder. It also sent a letter giving 7 days' notice of cancellation. I find that it did so on behalf of the insurers.

By 15 January 2021, the insurers had received V5 documents. On that day, the insurers asked One Sure why the V5s were in a name other than Y.

On 28 January 2021, One Sure sent the insurers Mrs I's email saying that the vehicles were leased. On the same day, the insurers asked One Sure for copies of the lease agreements.

On 29 January 2021, One Sure wrote a letter to Mrs I asking for a utility bill. I've seen evidence that Mrs I sent a utility bill to One Sure the same day.

On 3 February 2021, the insurer instructed One Sure to cancel the policy. From what I've seen, this was because it hadn't received the lease agreements. But One Sure hasn't shown us enough evidence that it had asked Y or Mrs I for the lease agreements at that time. So I've thought about what's likely to have happened if One Sure had asked Y for the lease agreements before 3 February 2021.

From what I've seen, one of the V5s was in the name of Y. But the V5s for the other 4 vehicles were in the name of another company whose name included the word "freight". In response to the provisional decision, Y sent us a copy of a lease agreement dated 15 July 2020 from the freight company to Y relating to those 4 vehicles.

The lease agreement provides for rent to commence from 17 February 2021 – the same date as the email sending the agreement to One Sure. So I find it likely that – despite its date of 15 July 2020 - the lease agreement was drawn up and signed after the cancellation of the policy in early February 2021.

There's no evidence that – in relation to the 4 vehicles - Y would've been able to provide either V5s or leasing agreements if One Sure had asked for them before the cancellation. So I think it was inevitable that the insurers would've cancelled the policy. And I don't find that One Sure caused, or was responsible for, the insurers' decision to cancel the policy.

So I don't find it fair and reasonable to direct One Sure to write a letter to Y saying that it or the insurers cancelled the policy incorrectly. And I don't find it fair and reasonable to direct One Sure only to charge pro rata for time on cover, with no cancellation fee. And I don't find it fair and reasonable to direct One Sure to compensate Y for the extra cost of the new policy or for inconvenience.

One Sure has said that the statement of account is as follows:

Debits		Credits	balance
Time on cover	£20,234.68		
Legal assistance	£ 34.50		
Arrangement fee	£ 65.32		
Cancellation fee	£ 85.00		
Sub-total	£20,419.50		
		Payments	£13,442.89
			£6,976.61

The charge for time on cover is a charge set by the insurers. So I don't hold One Sure responsible for its calculation. But in any event, I would expect insurers to charge the full premium for the year as there had been a claim before the cancellation.

I find that the legal assistance and arrangement fees were non-refundable in line with One Sure's terms of business.

The cancellation fee of £85.00 is higher than I would usually expect. But the policy had involved documents for several vehicles. So I consider that £85.00 is proportionate to the administrative work involved.

Whilst I can understand the financial impact on Y, I don't find One Sure responsible for the cancellation and I don't find it unfair that One Sure asked Y to pay the balance between £20,419.50 and what it had already paid.

Overall, I don't find it fair and reasonable to direct One Sure to do any more in response to this complaint.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Y to accept or reject my decision before 31 May 2022.

Christopher Gilbert

**Ombudsman**