

The complaint

Mr J complains that One Sure Insurance Limited mishandled a commercial vehicle insurance policy.

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

Mr J wanted to drive a van as a courier. One Sure acted as an intermediary between Mr J and an insurance company. On 6 October 2021, Mr J took out a telematics or “black box” policy. He was the policyholder. The total cost for a year was going to be £2,353.83. Mr J paid £469.80 straight away and agreed to pay the balance by instalments.

The next day, Mr J or his son asked One Sure if Mr J’s son could become the policyholder. One Sure said that wasn’t possible, so Mr J had to cancel the policy.

One Sure’s terms of business included the following:

“Cancellation

If you find a cheaper quotation within 48 hours, subject to written proof being sent to us; to show the quotation is on a like for like basis, you can cancel the policy with a full refund.”

Mr J’s son told One Sure he’d got a cheaper quotation.

One Sure applied some charges before refunding a balance as follows:

	credits	debits
Mr J’s payment	£469.80	
Time on risk		£ 12.33
Telematics charge		£104.00
Loss of commission		£199.74
Refund fee		£ 5.00
Sub-total		£321.07
Refund		£148.73

Mr J complained to One Sure about the charges.

One Sure offered to refund the loss of commission and the refund fee. But Mr J turned down that offer. By a final response dated about 18 October 2021, One Sure withdrew that offer. Mr J brought his complaint to us in late October 2021.

our investigator’s opinion

Our investigator recommended that the complaint should be upheld in part. The investigator didn’t think that One Sure’s terms and conditions made it clear enough what would/wouldn’t

be refunded. He thought that One Sure had caused Mr J additional distress and inconvenience. The investigator recommended that One Sure should:

1. give Mr J a full refund minus the charge for the black box; and
2. award Mr J with £100.00 compensation.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr J and to One Sure on 18 March 2022. I summarise my findings:

I was minded to find it fair and reasonable to direct One Sure to make a further refund of the amounts it deducted as follows:

Time on risk	£ 12.33
Loss of commission	£199.74
Refund fee	£ 5.00
Total	£217.07

As Mr J will have been out of pocket since about 7 October 2021, I was minded to direct One Sure to add interest at our usual rate.

Unlike the investigator, I wasn't minded to find it fair and reasonable to direct One Sure to pay Mr J compensation for distress and inconvenience.

Subject to any further information from Mr J or from One Sure, my provisional decision was to uphold this complaint in part. I intended to direct One Sure Insurance Limited to pay Mr J:

1. a further refund of £217.07; and
2. simple interest on that refund at a yearly rate of 8% from 7 October 2021 to the date of the refund. If One Sure considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr J how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Mr J acknowledged receipt of the provisional decision but didn't provide any further information.

One Sure didn't respond to the provisional decision.

So I see no reason to change my view.

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.

For any cancellation within the 14-day cooling-off period, a consumer can be charged:

- a pro-rata (i.e. proportionate) premium for the time the policy was in force; and

- an administration fee which is proportionate to the service provided, with no element of profit.

However, the consumer can only be charged an administration/cancellation fee if they were told that this would happen while they were buying the policy. If the consumer wasn't told about the charge for the service provided, the business isn't entitled to make the charge.

I find it likely that One Sure got Mr J's agreement to its terms of business before it set up the policy. That included the term about cancelling within 48 hours, as set out above. But I accept One Sure's evidence that it told Mr J at the point of sale that he was paying £104.00 for a black box and it wouldn't be refundable.

I note that Mr J's statement of fact included a fault accident and a speeding offence.

I've seen an exchange of emails on 7 October 2021 between Mr J's son and a competitor intermediary. That included the following:

"We are willing to offer a quotation of £2100 with a £750 excess with our underwriters which are [named underwriter]".

That doesn't contain any of the other details on which an insurer would usually base a quote.

The exchange of emails contains Mr J's request to the competitor for confirmation of a list of such details.

But Mr J's son had said he wanted a policy in his name. So I don't think he intended to accept the quotation from the competitor for a policy in Mr J's name. And his request to the competitor didn't include confirmation of his father's fault claim and speeding offence. So I'm not persuaded that the competitor's quotation was like-for-like with the policy through One Sure.

Therefore I'm not persuaded that Mr J fell within the term about cancelling within 48 hours with a full refund.

From its responses to the investigator's opinion, I understand that One Sure is maintaining the telematics charge but is no longer seeking to make charges for time on risk, loss of commission or a refund fee.

In the context of a black box policy, I'm satisfied that the charge of £104.00 was proportionate to the service provided, with no element of profit. So I don't find it fair and reasonable to direct One Sure to make a further refund of that charge.

I don't under-estimate the distress and inconvenience suffered by Mr J and his son. However, Mr J's son wasn't the policyholder, so I can't direct compensation for him.

Mr J has fallen short of showing that he had got a like-for-like cheaper quotation within 48 hours. And I find it likely that much of his distress and inconvenience was caused by being kept out of his money, for which interest is compensation. So, unlike the investigator, I don't find it fair and reasonable to direct One Sure to pay Mr J compensation for distress and inconvenience.

Putting things right

I find it fair and reasonable to direct One Sure to make a further refund of the amounts it deducted as follows:

Time on risk	£ 12.33
Loss of commission	£199.74
Refund fee	£ 5.00
Total	£217.07

As Mr J will have been out of pocket since about 7 October 2021, I will direct One Sure to add interest at our usual rate.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct One Sure Insurance Limited to pay Mr J:

1. a further refund of £217.07; and
2. simple interest on that refund at a yearly rate of 8% from 7 October 2021 to the date of the refund. If One Sure considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr J how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 17 May 2022.

Christopher Gilbert
Ombudsman