

## **The complaint**

Mr W says Atlanta Insurance Intermediaries Limited (trading as Swinton) didn't give him due notice of his motor insurance policy being cancelled, leading to severe consequences.

## **What happened**

Mr W's policy started on 15 November 2021. On 9 December 2021 the police impounded his car on the basis that he wasn't insured to drive it. Mr W now faces a court hearing with the likelihood of a large fine and six penalty points, so he wants a letter of indemnity.

Atlanta told Mr W that it wrote to him in November 2021 to say his insurer needed further details to verify the policy. Mr W said the letter was sent to the wrong address. As there was no reply from him, Atlanta sent a seven-day notice of cancellation letter to the same address on 29 November 2021. It then emailed Mr W to say the policy was cancelled on 7 December 2021. Atlanta said the letters were sent to the address Mr W had provided – as set out in the documents it sent to him when the policy began.

One of our investigators reviewed Mr W's complaint. He thought as Mr W had said email was his preferred method of contact, Atlanta should have emailed the notice of cancellation to him. As it didn't, he thought it should remove the £50 cancellation charge, amend the record of Mr W's cancellation, and pay him £100 compensation. The investigator didn't think a letter of indemnity should be provided, as Atlanta could show it had emailed Mr W to let him know the policy was cancelled two days before he was stopped by the police. It could also show that the email was opened about half an hour after it was sent.

Atlanta didn't comment on the investigator's view. Mr W said if he saw Atlanta's email, he must have thought it was 'spam'. He said he checked the Motor Insurer's Database (the 'MID') the day after the email was issued, and it showed he was insured. As there was no agreement, the complaint was passed to me for review.

## **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.

Atlanta can show that it notified Mr W by email that he was no longer insured two days before he was stopped for driving without insurance. As Atlanta tracks its emails, it can show that he opened the cancellation confirmation message almost as soon as it arrived in his mailbox. So I don't think Atlanta can be blamed for what happened after that.

I don't think it's reasonable for Mr W to say that if he saw the email, he'd just have assumed it was 'spam'. As a cancellation is such a serious issue, I think most consumers would have been alarmed by the content of the email and would have contacted Atlanta straight away. I haven't seen any evidence that the MID record showed Mr W's car was insured the day after

Atlanta told him it wasn't. But the MID record isn't fool proof evidence of current insurance anyway, and I think Mr W should have contacted Atlanta to make sure he knew the facts.

Atlanta has shown that the reason its letters didn't reach Mr W is because he gave it the incorrect postal address. That incorrect address was set out prominently in the policy's *Statement of Fact*. Consumers have a duty to check their documents and to tell their broker or insurer if there's an error. So I think a contributory cause of the cancellation was that Mr W didn't contact Atlanta to have the address it held for him corrected.

Regardless of Mr W's error, he told Atlanta his preference was to be contacted by email or telephone. Atlanta says it always sends queries about documents needed to validate the policy by post. I understand its point about wanting to validate a consumer's address, but the seven-day notice of cancellation was also sent only by post. In my opinion, that wasn't acceptable, given the seriousness of the issue and the fact that Mr W had asked for email contact. I can't be sure what he'd have done if he'd got the cancellation notice by email. But he wasn't given the chance to decide whether or not to act on an email that wasn't issued.

As the cancellation may have been avoided had the notice of it been emailed, I think it would be reasonable for Atlanta to pay Mr W £100 for distress and inconvenience. I think it would also be fair for it to refund the £50 cancellation charge and amend the record to show that the policy was cancelled in error.

### **My final decision**

My final decision is that I uphold this complaint. I require Atlanta Insurance Intermediaries Limited to refund the £50 cancellation charge to Mr W, amend its records to show the policy was cancelled in error, and pay Mr W £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 September 2022.

Susan Ewins  
**Ombudsman**