

## **The complaint**

Mrs M has complained about her car insurer Verex Insurance Services Limited because her monthly premium payment kept changing and charges kept being added.

## **What happened**

Mrs M had a policy with Verex which renewed in May 2021, with Mrs M paying a monthly premium of £47.40. But in September the monthly amount changed, and continued to change over the coming months. Mrs M missed some payments and also changed some details on the policy which resulted in some charges being applied. Often any additional costs were spread over the remaining months of cover.

Eventually, in March and April 2022, Verex said there were three sums/payments left for Mrs M to make. Those were for £109.04 each and were to be taken in early April, May and June. But Mrs M didn't understand why she was being asked to pay these sums. A payment for April was returned by Mrs M's bank unpaid, and when it was recalled for on 11 April 2022, that payment was also unsuccessful.

Verex decided to forego collecting the arrears from February and March 2022 – which meant it wouldn't need to take June's payment at all and the remaining two payments (that overdue for April and the one due in May) would reduce to £81.78. It tried to take both payments in May, but they were both unsuccessful.

Mrs M cancelled the policy because she felt she wasn't being given clear information about the payments Verex wanted. Verex said it would waive the cancellation fee of £45.00, but Mrs M still owed it £163.56 (for April's and May's payments). It noted she had incurred a bank charge of £30.00 and said it would reimburse this to her once she had paid the outstanding amount to it. Mrs M complained to us.

Our Investigator felt that Mrs M had been given clear information by Verex each time the premium amount changed including in letters and emails sent in March 2022. He noted there had been a communication issue at one point. And that there had been some problems with payments being asked for/taken. But he noted that Verex had waived payments, as well as agreeing to reimburse Mrs M's bank charge. He felt that was fair and reasonable in the circumstances. So he didn't think it needed to do anything more.

Mrs M was unhappy. She asked for an Ombudsman's consideration.

## **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.

I can see, from Mrs M's perspective, how it became difficult for her to keep up with the changing payment amounts. But I bear in mind that Verex did tell her each time the sum was changing. And the change came about because Mrs M and Verex had agreed to split additional, or overdue, costs and charges over the payments that remained to be taken for

the policy term. In addition to this, in spring 2022, a further payment was initially added for June to help spread the cost.

After the policy renewed in May 2021, Mrs M changed her address once and her car twice. Each time she incurred a £25 charge, which, each time was spread over the remainder of the policy period. The same happened with an increase in premium caused by one of the vehicle changes. Mrs M then missed a couple of payments in November and December 2021. Whilst one payment was corrected in December, the other was spread over the remainder of the term. I've checked the sums which were applied, which increased the monthly payments, and I'm satisfied that, in applying them, Verex acted fairly, reasonably and in line with the policy terms.

But it is fair to say that, in early 2022, Verex wasn't entirely clear with Mrs M when she told it she had concerns about the changing payments. Verex responded clearly, in my view, in later communication on the subject. But initially it didn't and with Mrs M already feeling confused and uncertain, that won't have helped her. And there were then some payment issues caused by Verex changing its payment system – it sought to take incorrect amounts from Mrs M. Again I can understand Mrs M being frustrated by this added confusion.

Verex though, as noted above, has waived certain sums. And it's agreed to reimburse Mrs M's bank charge, once she pays it the outstanding amount owed. I think that all amounts to fair and reasonable redress in the circumstances here.

### **My final decision**

I don't make any award against Verex Insurance Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 23 November 2022.

Fiona Robinson

**Ombudsman**