

## **The complaint**

Mr B complains that Berkshire Hathaway International Insurance Ltd (“BHI”) unfairly cancelled his motor insurance policy.

Where I refer to BHI, I refer to the above-named company and I include the intermediary and others insofar as I hold BHI responsible for their acts or omissions.

## **What happened**

Mr B had a hatchback car with a “08” registration. He took out insurance for that car for the year from mid-October 2021. The policy was branded with the name of an insurance intermediary. The certificate of insurance was signed by the intermediary for and on behalf of BHI, which was the underwriter of the policy.

From early April 2022, BHI or the intermediary cancelled the policy.

Mr B complained to the intermediary that it had cancelled the policy incorrectly. By a final response dated 13 April 2022, the intermediary upheld his complaint and apologised for its error. It said it would waive its new business fee of £15.00 and the cancellation fee of £60.00.

Unhappy with that, Mr B brought his complaint to us a few days later.

### *our investigator’s opinion*

Our investigator treated the complaint as a complaint against BHI. He recommended that the complaint should be upheld. He thought that, by incorrectly cancelling the policy, BHI caused Mr B some worry and inconvenience. He recommended that BHI should:

1. mark their records to show that Mr B - not BHI - cancelled the policy;
2. issue Mr B with a letter to confirm BHI cancelled the policy in error;
3. pay Mr B £50.00 compensation for the anxiety and inconvenience caused.

### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr B and to BHI on 28 September 2022. I summarise my findings:

Mr B must’ve been taken aback at the notice of cancellation. And he either had to engage in the webchat or get someone to do it on his behalf.

He could’ve done more to prevent the cancellation. But he must’ve had to make other arrangements in relation to the hatchback.

Subject to any further information from Mr B or from BHI, my provisional decision was that I intended to uphold this complaint. I intended to direct Berkshire Hathaway International Insurance Ltd to pay Mr B £100.00 for distress and inconvenience.

Mr B accepted the provisional decision.

BHI had nothing to add in response to the provisional decision.

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.

The intermediary has sent us some policy terms that name an insurer other than BHI. But from the certificate of insurance, I find that BHI was the insurer responsible for providing cover. So I consider that BHI was responsible for cancelling the policy. And the intermediary was acting on behalf of BHI.

From what the intermediary has shown us, Mr B sent an email asking for a quote for changing his car from the hatchback to a cabriolet with a "13" registration. BHI told him he could only get this information online.

The intermediary later said that it misunderstood that Mr B hadn't still got the hatchback. On 25 March 2022, it sent (by email and with a notification by SMS) a 7-day notice of cancellation. The notice invited Mr B to get in contact.

On the same day, Mr B (or someone on his behalf) initiated an online chat with the intermediary. That chat included Mr B (or someone on his behalf) first saying that he was the policyholder's son, then saying he would get his dad. Mr B (or someone on his behalf) then said that he was the policyholder but gave a first name that wasn't the policyholder's first name. So BHI ended the chat on the basis that Mr B needed to start another chat.

In the usual course of events, if Mr B was anxious about the cancellation, he would've started another chat. But he didn't make any further contact. So BHI cancelled the policy with effect from 1 April 2022.

I don't think there's any dispute that the intermediary cancelled the policy in error and unfairly. And I hold BHI responsible for that cancellation.

But Mr B had been aware of the 7-day notice and he could've done more to get in touch and prevent the cancellation. Mr B must've known that the cancellation would take effect on 1 April 2022.

Mr B hasn't shown us evidence that he got a new policy for the hatchback from 1 April 2022 or at all.

I have no reason to doubt Mr B's statement that the intermediary at first charged a cancellation fee of £60.00 and chased him for payment of the balance it said was due. But by 13 April 2022, the intermediary had credited its new business fee of £15.00 (which wouldn't usually be refundable) and cancelled the £60.00 fee. So it refunded Mr B about £15.00.

Mr B hasn't complained to the intermediary or to us about what he has paid in the end. The

intermediary has told us that Mr B only paid a pro-rata amount for his time on cover.

Mr B has said that he part-exchanged the hatchback for the cabriolet. But he has shown us evidence that he took out a new policy for the cabriolet from 25 April 2022 - nearly three weeks after the cancellation of the policy for the hatchback.

I've thought about what is fair and reasonable to try to put right the unfairness of the cancellation.

I'm satisfied that the intermediary responded to the complaint on behalf of BHI. The intermediary has told us that the only record of the cancellation is on its internal records and not on any other database. And its final response (which Mr B can show to current or future insurers) acknowledged that the cancellation was an error for which it apologised.

So – unlike the investigator – I don't find it fair and reasonable to direct BHI to change its records or to write any further letter.

Mr B hasn't given enough details of the impact of the error on him including distress and anxiety.

Nevertheless, he must've been taken aback at the notice of cancellation. And he either had to engage in the webchat or get someone to do it on his behalf. He could've done more to prevent the cancellation. But he must've had to make other arrangements in relation to the hatchback.

### **Putting things right**

So I conclude that £100.00 would be fair and reasonable compensation for the distress and inconvenience BHI caused him.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Berkshire Hathaway International Insurance Ltd to pay Mr B £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 November 2022.

Christopher Gilbert

**Ombudsman**