

## **The complaint**

Mr G complains about the lack of information given to him by I Go 4 Ltd relating to payments owed on his car insurance policy.

## **What happened**

Mr G took out a car insurance policy using I Go 4 Ltd as the broker with payment being made by direct debit monthly instalments. The policy involved installation of a telematics device used to assess driving behaviour. A few months after the start of the policy, a driving review was carried out which showed the driving score had dropped so an additional premium of £53.07 was applied. Mr G made a payment but the policy was then cancelled, so Mr G complained. I Go 4 Ltd responded and explained, when Mr G spoke with their representative to make payment, they didn't inform Mr G that a defaulted monthly instalment was due as well as the additional premium. I Go 4 Ltd accepted there had been an administrative oversight and agreed to waive the outstanding additional premium owed.

Our investigator looked into things for Mr G. He recommended I Go 4 Ltd pay an additional £75 compensation. Mr G agreed but I Go 4 Ltd disagreed so the matter has come to me for a decision.

## **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.

Having done so, I've decided to uphold the complaint. And, I think the investigator's recommendation is a fair way to resolve matters.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and what the parties are disputing. The key facts about the complaint aren't in dispute. I Go 4 Ltd have admitted they got things wrong when their representative didn't inform Mr G that the additional premium was owed in addition to arrears on his direct debit payments. Mr G says he contacted the representative and asked for details of all outstanding payments owed and he paid the figure which the agent told him. This sum didn't include the additional premium, so this remained outstanding and is what led to the policy being cancelled. I Go 4 Ltd accept this was an oversight. The only issue I have to decide is whether their offer to waive £53.07 is fair and reasonable in the circumstances.

I think it's right that I Go 4 Ltd should compensate Mr G for the shock, worry and inconvenience caused by their poor service. To help decide what a fair and reasonable level of compensation should be, I've looked at the error by I Go 4 Ltd and what the impact of that error has been.

Mr G says he was shocked when, after making payment to the representative for all sums he was told were outstanding, his policy was then cancelled. Mr G explains he was worried he didn't have insurance cover and this then caused him inconvenience in having to take the

day off work to get things sorted. So, I think there has been an impact on Mr G here. That said, it's only fair and reasonable to balance this with the steps I Go 4 Ltd took when Mr G contacted them to discuss the issue. I can see I Go 4 Ltd reinstated the policy the same day it was cancelled so there was no gap in cover. The additional premium owed has been waived so I agree with I Go 4 Ltd's point that this represents compensation for Mr G. However, I don't think this goes far enough to reflect the impact on Mr G.

I understand I Go 4 Ltd believe £53.07 is fair compensation in this case but I don't believe this puts Mr G back in the position he would've been in had the error not occurred. I think the single biggest impact on Mr G here is being told his policy was cancelled. I understand I Go 4 Ltd's point that the additional premium was rightfully owed and remained outstanding when they cancelled the policy. But, it's not unreasonable for Mr G to have assumed all outstanding payments had been made when he contacted the representative. So, it follows, he was understandably shocked when being told his policy had been cancelled. I accept the issue with the cancelled policy was resolved the same day so the impact of any worry to Mr G was limited as well as any inconvenience as it appears this was resolved following one call to I Go 4 Ltd. So, while I accept parts of the impact were limited, there was a greater impact caused by the shock to Mr G – and this is why I think the compensation should be higher than the £53.07 offered.

So, taking account of the combined impact on Mr G, I think I Go 4 Ltd should pay Mr G £75 compensation in addition to the £53.07 already waived.

### **Putting things right**

I've taken the view that I Go 4 Ltd made an error by not informing Mr G that the additional premium was owed in addition to the arrears on his direct debit payments. So, in addition to the additional premium waived, I Go 4 Ltd should pay Mr G an additional £75 for the shock, worry and inconvenience caused.

### **My final decision**

My final decision is that I uphold the complaint. I Go 4 Ltd must pay Mr G compensation of £75 in addition to the additional premium they've waived.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 31 January 2023.

Paviter Dhaddy  
**Ombudsman**