

The complaint

Mr S has complained about his car insurance broker Right Choice Insurance Brokers Ltd regarding its actions in respect of a policy he set up via it.

What happened

Mr S arranged cover via Right Choice in July 2022, to commence on 9 August 2022. Shortly after making the initial arrangements Mr S realised that one of the named drivers on the policy had received a penalty notice for speeding which Mr S had not been aware of. He notified Right Choice.

On the 9 August, the day the policy began, Right Choice contacted Mr S. It said the premium had changed due to the notification of the speeding fine. Mr S spoke to Right Choice and it gave him several options for resolution, including cancellation. But Mr S wasn't happy with the fees Right Choice was charging. Right Choice then began asking Mr S to provide details he had sent to it already, and threatening cancellation if such was not provided. Mr S responded to each request by sending what he had sent before, so was more disappointed with each further request for the information. And the threat of cancellation worried him. On the fourth occasion of receiving such a request Mr S wrote to Right Choice's head office and he received assurances the next day that Right Choice wouldn't be cancelling his policy.

Right Choice noted that Mr S had been in contact with it in the weeks since 9 August 2022 about the request for further premium payments and cancelling the policy. It said the timing of the request, on the date the policy had started, was only circumstantial – but recognised this meant further fees had become due for cancellation. It said it would, therefore, charge Mr S only £60. It acknowledged that it had made an error when processing Mr S's information which had resulted in it chasing Mr S for information he had already supplied and apologised. It wasn't minded to do anything more. Mr S cancelled the policy and complained to the Financial Ombudsman Service.

Our Investigator, noting that other charges had been waived, felt that Right Choice could reasonably charge a £60.00 cancellation fee. She felt it should pay £100 compensation for the upset she thought Right Choice's errors had caused Mr S.

Mr S said he was willing to accept that. Right Choice disputed it. Right Choice said it had acted within a day to confirm to Mr S that it would not cancel his policy.

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.

My background detail set out above is only a summary of the events that occurred in August 2022 and which Mr S has raised concerns about. But I can confirm I've considered all of the points raised by Mr S. My focus here is on Right Choice's failings.

I appreciate that Mr S is concerned about the timing of Right Choice's request for further payment or cancellation. But I haven't seen anything which makes me think this was an intentional act by it to allow the policy to start. In any event, Right Choice has waived all charges with the exception of the £60.00 cancellation fee. And this would have been applicable whenever the policy was cancelled. And it's made in line with the agreement Mr S had with Right Choice. I'm satisfied it was fairly charged and that allowing Mr S to cancel whilst limiting the fees charged to £60.00 was a reasonable way of resolving Mr S's concerns about the requested additional premium.

But when Right Choice was checking Mr S's details on 8 and 9 August 2022, it made an error. This caused its systems to think Mr S had not supplied it with key policy information when in fact he had provided everything Right Choice had asked for. This resulted in Mr S receiving four separate chasers for the exact information he had already provided – and threatening cancellation by the insurer if such wasn't received. This resulted in Mr S having to act urgently, in response to the first two requests, to send the information again, and caused him worry about what would happen if that wasn't received or acknowledged. I accept that this worry increased each time the request and threat were received, particularly as the third and fourth requests were received in quick succession to the second. Mr S eventually resolved this by finding contact details for Right Choice's head office. That action generated confirmation from Right Choice that it would not cancel the policy.

I note that the confirmation I reference above was given to Mr S within 24 hours of his contact with the head office. So at that point, 31 August 2022, the worry and concern caused by Right Choice's errors were reasonably alleviated going forwards. But it didn't resolve or make up for what had already happened. I think £100 compensation is fairly and reasonably due in the circumstances here.

My final decision

I uphold this complaint. I require Right Choice Insurance Brokers Ltd to pay Mr S £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 May 2023.

Fiona Robinson
Ombudsman