

## **The complaint**

Mr D complains that West Bay Insurance Plc cancelled his motor insurance policy, resulting in his car being impounded by the police.

West Bay is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As West Bay has accepted it is accountable for the actions of the agents, in my decision, any reference to West Bay includes the actions of the agents.

## **What happened**

In mid-2022, Mr D notified West Bay that his address had changed. West Bay updated the details on his policy and informed Mr D that his premium had increased. Mr D asked for his address to be changed back to the previous one. He was unhappy that this didn't result in a decrease in his premium. After he raised a complaint about this, West Bay waived the additional charge.

On 6 September 2022, West Bay sent Mr D a letter asking him for a recent utility bill or bank statement from the last three months so it could validate his policy. The letter said that if West Bay didn't receive a reply within 14 days Mr D's policy might be cancelled.

West Bay didn't receive a response. So, on 28 September 2022, West Bay sent another letter saying it was unable to continue to offer Mr D motor insurance as he currently had no fixed abode. It said his policy would be cancelled from midnight of 7 October 2022.

Mr D says he didn't receive either of West Bay's letters and he wasn't aware the policy had been cancelled. A week after the policy was cancelled, Mr D's vehicle was impounded by the police due to him not having insurance.

Mr D raised his concerns with West Bay, who initially didn't uphold his complaint. However, after further investigation West Bay acknowledged it hadn't done enough to contact Mr D. It said it would send Mr D a letter of indemnity to make sure no points were placed on his licence for no insurance. It would also send Mr D a cheque for £520. The letter of indemnity was issued the next day.

In early 2023, Mr D was issued with a summons to appear in court in mid-2023. The court case was later withdrawn after West Bay made contact with the police and provided the indemnity letter it had issued to Mr D in November 2022.

Our investigator recommended West Bay pay Mr D an additional £250 compensation. She didn't think West Bay was wrong to cancel the policy. But she didn't think the £250 compensation West Bay had already paid him was enough to recognise the impact of not giving him proper notice of the cancellation.

West Bay accepted our investigator's outcome. However, Mr D disagreed. He thought he should be reimbursed fuel costs from travelling to and from the town where the court hearing was scheduled to take place. He didn't think the additional amount our investigator had recommended was sufficient compensation for the distress and inconvenience he'd

experienced as a result of his car being impounded. So, the complaint has been passed to me to decide.

### **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 reached broadly the same conclusions as our investigator. I'll explain why.

The terms of the policy say:

*“(West Bay) can cancel this policy at any time if there are serious grounds to do so:..*

*- You have failed to supply requested validation documentation...*

*We will do this by giving you 7 days' notice in writing to your last address notified to us. Your last notified address may include an email address nominated by you to accept correspondence.”*

According to West Bay's notes, in August 2022, Mr D told it he didn't have a permanent address. This prompted West Bay to write to him asking for information to validate his policy.

From what I've seen, it sent Mr D a letter asking for a recent utility bill or bank statement on 6 September 2022. A copy of this letter was sent to Mr D by email the following day.

West Bay sent Mr D another letter on 28 September which said it would cancel his policy on 7 October 2022. A copy of this letter was also sent by email.

On 11 October 2022, West Bay sent Mr D a letter telling him his policy had been cancelled on 7 October.

Mr D says he didn't receive the letters and he wasn't aware that his policy had been cancelled. Unfortunately, he was stopped by the police on 14 October 2022 and the car was impounded.

West Bay has sent us screenshots to show that the letters requesting proof of address were emailed to Mr D on 7 and 29 September. However, he doesn't appear to have opened the emails until 14 October, which is the same day he was stopped by the police.

I don't think it was unfair for West Bay to have cancelled Mr D's policy when it didn't receive the information it had requested from him within the relevant time frame. I'm also satisfied that it gave Mr D notice of cancellation, in line with the policy's terms.

However, West Bay says the letter of 11 October 2022 telling Mr D that his policy was cancelled was only sent by post. It's acknowledged that this should also have been sent by email because it was aware Mr D didn't have a fixed address. It's told us this was the reason it provided the letter of indemnity, covered the costs of the impound fees and paid Mr D £250 for distress and inconvenience.

Mr D says he was summonsed to court despite providing the police with the indemnity letter. The court case wasn't withdrawn until West Bay got in contact with the police in June 2023, after our investigator made it aware of the court summons.

West Bay says there's nothing further it could have done. However, it has accepted our investigator's recommendation to pay Mr D a further £250 in recognition of the distress he experienced as a result of being summonsed to court.

Mr D thinks West Bay should reimburse him his fuel costs from driving to and from the town where the court hearing was due to take place. However, our investigator made Mr D aware that the court hearing was going to be cancelled around two weeks prior to the date it was scheduled for. Mr D confirmed it had been cancelled a couple of days later. So, I don't think it would be fair to tell West Bay to reimburse him for any fuel costs he may have incurred from travelling to and from that town.

I appreciate Mr D doesn't feel that a total of £500 is enough to compensate him for the distress and inconvenience he's experienced. I understand that being without insurance has caused him some difficulties. However, I've explained why I don't think it was wrong for West Bay to have cancelled the policy.

If West Bay had sent him notification that the policy had been cancelled by email, Mr D might not have had his vehicle taken by the police. From what he's told us this seems to have been an upsetting and humiliating experience, where he was also subjected to a drug test. He also experienced distress and inconvenience from his car being impounded, with further upset from being summonsed to court.

However, I think a total of £500 sufficiently recognises the impact of this on Mr D. So, while I appreciate my answer will be disappointing for him, I think a further payment of £250 from West Bay is enough to put things right.

### **Putting things right**

West Bay should pay Mr D £250 for distress and inconvenience.

### **My final decision**

For the reasons I've explained, I uphold Mr D's complaint and direct West Bay Insurance Plc to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 25 August 2023.

Anne Muscroft  
**Ombudsman**