

The complaint

Mr W complained that his broker, One Call Insurance Services Limited ("One Call"), didn't perform its duties properly which resulted in Mr W paying higher insurance premiums for his motor cover.

What happened

Mr W took out a policy with an insurer via a price comparison website. Mr W completed his sales journey via his broker, One Call. Mr W made payment and insurance documents were shared for checking.

Once the policy had commenced, the insurer identified details of a previous claim had been input incorrectly when the insurance application was made. The incorrect date of a previous claim had been recorded. The insurer said it therefore declined the cover, so it issued a cancellation notice by post.

One Call informed Mr W that it would get a quote for alternative cover with a different insurer. It said it would arrange this cover if Mr W didn't respond to inform One Call otherwise, so ensuring Mr W was not left in a position he wouldn't have insurance.

One Call didn't receive any communication from Mr W, so it arranged the alternative cover and shared the policy documents with Mr W. Around a month later, Mr W questioned why his premiums had increased. One Call explained the circumstances above had led to the increase. It said Mr W would need to follow the cancellation process with the new insurer if he wanted to stop the cover.

Mr W stopped his direct debit which triggered the cancellation with the second insurer. This triggered some administration charges to Mr W for the cancellation. When Mr W complained One Call waived the cancellation fee. He was still asked to pay the remaining balance for the time he had cover.

Mr W said "due to a lack of professionalism by the agent in [his] opinion, [One Call] then tried to hide [its] omissions by cancelling [his] original policy and incepting another in [his] name [to] conceal [its] failure to act. This resulted in stress, anxiety and a good deal of time undertaken by [Mr W] to establish what happened". Mr W wants the agent to be financially punished and he wants to be compensated for the distress and inconvenience he said he'd suffered.

Our investigator decided not to uphold the complaint. She didn't think there was evidence the policy was cancelled due to errors by One Call. Mr W disagreed, so the case has been referred to an ombudsman.

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 reviewed it, I won't be upholding this complaint. I'll explain why.

Mr W said the first time he realised there was an issue with his insurance cover was when his direct debit for his premiums had increased. He said he never received the letter from One Call explaining that it needed to place Mr W's cover with a different insurer.

I can see One Call sent all the insurance documents to Mr W when he took out cover for the first insurer. By Mr W's own admission, he only had a quick read of the emails that were sent and didn't open any of the detailed documents about his policy.

I can see One Call sent a letter to Mr W by post informing him of the first insurer's decision to cancel his policy. It did this the day after it was notified of this. Whilst, I appreciate Mr W said he didn't receive this letter, I have read the letter and can see it was issued by One Call. Letters can sometimes get lost in the post or mislaid, but I can't say One Call hasn't done what was reasonable for it to do. I think it's also possible Mr W may simply not have seen the letter or given it due attention, in a similar way to he didn't fully check his insurance documents when they were sent to him originally.

As Mr W didn't respond to One Call, possibly for any of the reasons stated above, One Call placed Mr W with cover at another insurer. I appreciate Mr W is unhappy that his premiums increased. However, I think One Call has followed the process I would've expected. It's ensured that Mr W has continued to benefit from cover which is consistent with its obligations under the Continuous Insurance Enforcement Law. I can see One Call explained this to Mr W. So, I think One Call has acted reasonably.

Mr W chose to cancel his policy which is his right, but as he did this outside of the cooling off period it attracted a cancellation fee. I think One Call has been fair in waiving this as a gesture of goodwill. It has also ensured Mr W has only been charged for the period he was on cover, which I think is fair.

My final decision

My final decision is that I don't uphold this complaint. I don't require One Call Insurance Services Limited to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 22 February 2024.

Pete Averill
Ombudsman