

The complaint

Mr W has complained about POLICY EXCESS INSURE LTD (PEX). He isn't happy about the way it dealt with the cancellation of his motor insurance policy.

What happened

Mr W took out a motor insurance policy through PEX with two named drivers. But when the policy documentation came through the named drivers weren't on the policy. And when he questioned what happened with PEX he was told there would be an admin fee to change the policy and that there was likely to be an increase in premium because of the change in risk.

As Mr W wasn't happy about this he looked to cancel the policy within the 14-day cooling off period, but he wasn't able to. Mr W had emailed PEX, and it directed him to cancel online and provided a link. But the link took Mr W to a website which didn't have an option about cancelling his motor insurance policy and didn't make any reference to the brand he had used to take out the policy.

When Mr W complained to PEX about all of this it said he was now outside the 14-day cooling off period and looked to pursue him for additional costs. Mr W found the way PEX acted distressing and overbearing and so he complained to this Service.

Our investigator looked into things for Mr W and partly upheld his complaint. He thought it was clear Mr W was trying to cancel his policy when he realised the named drivers weren't on cover for some reason. And after he emailed PEX outlining that he wanted to cancel the policy the link that was sent wasn't clear or easy to use so he thought the fair and reasonable thing to do was to backdate cancellation to the cooling off period and the date of Mr W's email. PEX could charge the allowed cancellation fee, but he thought Mr W should be paid £200 compensation for the clear worry and stress the pursuit of the outstanding debt had caused him.

Mr W agreed with the investigator's position but as PEX didn't agree the matter has been passed to me for review.

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'm in agreement that the complaint should be upheld. I know this will come as a disappointment to PEX, but I think it feels a fair and reasonable outcome in the particular circumstances of this case. I'll explain why.

I know PEX has suggested Mr W needed to go online to cancel his policy and I understand that. But its online process was confusing, and I think it was abundantly clear that Mr W wanted to cancel his policy following his email. Indeed, he went on to get insured elsewhere so he didn't need this policy, which wasn't fit for his needs in any event. In response to our investigator's view PEX has suggested that Mr W would have been directed to a different

website in order to cancel his policy. However, I have accessed the email link PEX sent to Mr W direct, and it doesn't have the brand name or an obvious link to be able to proceed with the cancellation of his motor insurance policy.

Given all of this, I agree that it is only fair that the cancellation of Mr W's policy is backdated to the date of his email, and he is charged time on cover (if there was any) and a cancellation fee (in line with the policy terms and conditions that were outlined to Mr W). But all other costs should be waived.

Turning to the compensation awarded I agree that £200 seems fair. PEX should've looked to cancel Mr W's policy in line with the date of his email and the date he clearly wanted to cancel his policy from - which Mr W would've accepted. Instead, it looked to chase Mr W for additional costs and the outstanding debt in an overbearing way. And I think this caused Mr W a fair degree of stress and worry and so he should be paid £200 compensation.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require POLICY EXCESS INSURE LTD (PEX) to backdate Mr W's request for the cancellation of his policy to the date he emailed in the cooling off period and to stop pursuing him for any outstanding debt. It can charge a cancellation fee in line with the policy terms and conditions, and it should pay him £200 by way of compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 February 2024.

Colin Keegan
Ombudsman