

## **The complaint**

Ms M has complained about POLICY EXCESS INSURE LTD (PEX). She isn't happy that it auto renewed her roadside assistance policy and failed to cancel it upon request.

## **What happened**

Ms M had a roadside assistance policy through PEX which it looked to auto renew in January 2022 a few days before the actual date the policy was due to renew. As soon as Ms M was aware that the policy had auto renewed she raised a complaint with PEX about this as she didn't want the policy. As the complaint wasn't acknowledged Ms M raised a charge back through her credit card which wasn't disputed by PEX.

In May 2022 Ms M was contacted by a debt collection agency who told her they were collecting the debt on behalf of PEX. So Ms M complained again to PEX about this but it didn't take any action or respond. And while chasing a response to her complaint Ms M received notification that a County Court Judgement (CCJ) had been obtained, it transpired that the relevant paperwork had been sent to a previous address of Ms M's. As Ms M wasn't happy about all of this she complained to this Service. And while the complaint was ongoing Ms M managed to get the CCJ set aside, and the court proceedings stayed.

Our investigator looked into things for Ms M and upheld her complaint. Although she accepted that the auto renewal process was highlighted to Ms M, she thought that PEX should've acknowledged and considered Ms M's complaint in the first instance. Plus, it should have considered her request for cancellation and subsequent chargeback before any debt collection agency referral. And she highlighted that PEX gave an incorrect address to the debt collection agency (Ms M's old address) which clearly impacted things here. So she thought PEX should cease collection of all outstanding sums and pay Ms M £150 compensation for the clear stress and inconvenience caused.

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 PEX feel that it hasn't done anything wrong here, but I agree that it didn't handle Ms M's request to stop the auto renewal process very well and has referred her to a debt collection company when it should've looked to communicate with her about the auto renewal. But I feel the level of compensation should be increased to £500 and I have communicated this to both sides before making this decision.

Although I can understand PEX's position about the case and I accept that its renewal process was made reasonably clear to Ms M. But once Ms M realised the policy was being automatically renewed, a few days before the policy was even due to renew, I think she made it clear that she wanted to cancel the policy. And I think PEX should've engaged with

Ms M when she raised the fact that she didn't want the policy and she subsequently complained.

PEX failed to respond or acknowledge her complaint and I see no reason why not. So, Ms M arranged a charge back with her account provider which PEX didn't dispute so she thought that was the end of the matter. Given the fact that PEX didn't correspond with Ms M or really engage with her complaint I can understand her position.

Instead PEX sent the relatively small debt to a debt collection agency who contacted Ms M direct which must have been very worrying for her. And when Ms M contacted PEX again this wasn't actioned either and then she found out she had a County Court Judgment (CCJ) against her in respect of the debt. It transpired that all the paperwork to do with the CCJ had been sent to a previous address of Ms M's when she clearly updated this with PEX.

I understand that PEX has said that the debt collection company should take responsibility for the incorrect address issue and has outlined that the documentation was mainly sent electronically. But I would expect PEX to have ensured these details were correctly referred and I find it surprising that it took these steps (referring the matter to the debt collection agency) in any event in this instance. I say this as it was clear that Ms M was trying to explain her position and complain so to take the steps PEX took, for a small outstanding amount when the consumer was trying to engage with it, doesn't feel fair or reasonable.

Fortunately, while the matter has been with this Service Ms M has managed to get the CCJ set aside and as I understand it the proceedings have been stayed.

Given all of this, I agree with our investigator that the complaint should be upheld. I accept that the renewal process was reasonably clear. But once PEX sent her the cancellation link Ms M complained about the potential cancellation charge and PEX should have engaged with Ms M about this rather than simply refer the matter to a debt collection agency. Our investigator suggested PEX should've replied to the complaint and waived the cancellation fee, allowing her to cancel the policy. Or it should have at the very least responded to the complaint and advised that she would have to pay the fee to cancel, which would have allowed her to bring her complaint to this Service.

I agree with this, but I feel the level of compensation should be increased here. It is fortunate that Ms M has been able to get the CCJ set aside and a stay of proceedings. However, it must have been very worrying to have faced the possibility of having a CCJ against her name and being chased by a debt collection agency when PEX should have responded to her complaint. So, I think PEX should pay Ms M £500 compensation as opposed to £150 for the clear stress and worry this has caused her and the delay in dealing with her complaint.

### **My final decision**

It follows, for the reasons given above, that I uphold this complaint. I require POLICY EXCESS INSURE LTD (PEX) to waive the small cancellation fee and stop pursuing Ms M for the outstanding debt. And pay Ms M £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 20 January 2024.

Colin Keegan  
**Ombudsman**