

## **The complaint**

Mr S complains about cancellation of his motor insurance policy by his insurer, Adrian Flux Insurance Services Group (Adrian Flux).

References to Adrian Flux in this decision include their agents.

This decision relates to Adrian Flux as the broker through which Mr S's policy was taken out and administered. It doesn't cover the insurer of the policy, or the claims management company involved with the accident Mr S was involved with, both separate businesses.

## **What happened**

Mr S had a motor insurance policy taken out through Adrian Flux. In February 2023 he was involved in an accident which led to his vehicle being deemed a total loss and a settlement made in April 2023.

Mr S was then contacted by Adrian Flux about renewal of his policy, despite his no longer having his vehicle. He said he told them over the phone and also wrote to them to say he wouldn't be renewing his policy. The policy automatically renewed in May 2023, but Mr S cancelled the direct debit through which the premium was due to be taken, so Adrian Flux cancelled the policy in June 2023. Mr S was then contacted by a debt recovery firm to collect a balance they said was owed by him. Unhappy at being contacted by the firm, Mr S complained to Adrian Flux, saying he didn't want to renew his policy and pay premiums to cover a vehicle he no longer had.

In their final response, Adrian Flux said they had no record of the accident which led to Mr S's vehicle being deemed a total loss. They said if Mr S sent them evidence of a claim for the accident and the vehicle's total loss, they would investigate the matter further, as they might be able to arrange for the policy to be cancelled from the date of the accident. This would mean the balance due would no longer be required.

Mr S then complained to this Service. He'd told Adrian Flux he wasn't renewing his policy, but they'd continued to chase him and added £35 (the administration fee for cancellation of a policy) to the debt they said he owed them. They'd ignored his contacts with them, and the situation was very stressful. He wanted them to stop contacting him, cancel the debt recovery action and close their file. He also wanted £250 compensation for the time and effort he'd spent trying to resolve the situation.

Our investigator didn't uphold the complaint, concluding it unlikely Adrian Flux were aware Mr S's vehicle had been the subject of a total loss. While Mr S's vehicle was involved in an accident and subsequently declared a total loss, he didn't make a claim under his own insurance policy – he used an independent claims management company (A). This meant Adrian Flux weren't aware of the accident or claim, so Mr S's policy was automatically renewed, in good faith in May 2023. A made Mr S aware they didn't represent the insurer of his policy and should tell the insurer they were handling his claim. The investigator thought Mr S hadn't done this, which is why Adrian Flux weren't aware of the situation. As the policy

was subsequently cancelled, the investigator couldn't say it was unfair or unreasonable there was a charge for a period of insurance between the renewal and the cancellation.

The investigator thought it fair and reasonable for Adrian Flux to request evidence of the claim, so they could consider cancelling the policy from the date of the accident.

Mr S disagreed with the investigator's view and asked that an ombudsman review the complaint. He said he'd written to Adrian Flux in April 2023 when they'd emailed him to say they intended to automatically renew the policy. He provided a copy of the letter he'd sent. He specifically told them the renewal should be cancelled as his vehicle had been deemed a total loss following the accident. He also cancelled his direct debit on the policy, after which he sent a second letter and email to Adrian Flux to restate his position. So, he didn't accept they weren't aware his vehicle had been declared a total loss. He also found it difficult to accept the insurer of the policy hadn't made Adrian Flux aware of the position.

Having seen a copy of the letter Mr S said he sent to Adrian Flux, they said they hadn't received any letter, and their records didn't show they'd received a letter. Mr S also provided a copy of a follow up email he'd sent to Adrian Flux in June 2023, referring to the letter.

### **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 role here is to decide whether Adrian Flux have acted fairly towards Mr S.

The key issue in Mr S's complaint is whether Adrian Flux acted fairly in automatically renewing his policy in May 2023 and then seeking to collect payment of the premium (and an administration charge for subsequently cancelling the policy). Mr S says he wrote to Adrian Flux in response to the renewal notice to tell them his vehicle had been declared a total loss following an accident in February 2023. Adrian Flux say they didn't receive Mr S's letter, so they had no reason not to automatically renew the policy.

In considering the issue, it's clear there is a disagreement between Mr S and Adrian Flux about whether he told them about the accident and that he didn't want to renew the policy. Mr S has provided a copy of the letter he sent Adrian Flux, which they say they didn't receive. Mr S has also provided the text of a follow up email he sent to them – though this appears to have been sent in June 2023, after renewal of the policy and, it appears, he was being contacted by the debt recovery firm.

I can see Adrian Flux issued a renewal notice for the policy, referring to the renewal date at the beginning of May 2023 and the renewal premium due. While the renewal notice isn't dated, it's likely to have been received by Mr S shortly before the date he says he wrote to Adrian Flux telling them his vehicle had been declared a total loss and that he didn't want to renew the policy.

What I haven't seen – either from Adrian Flux or from Mr S - is any acknowledgement in response to Mr S's letter, such as a confirmation of cancellation of the policy. Having written to Adrian Flux, I think it reasonable for Mr S to have expected some form of response that would indicate they'd received – and acted upon – his letter and request for the policy to be cancelled. The absence of any such acknowledgement would be consistent with Adrian Flux not receiving Mr S's letter, so they wouldn't have taken any action.

I can then see confirmation of the renewal sent to Mr S three days before the date the policy renewed. Which would again indicate Adrian Flux weren't aware of Mr S's request (his letter) not to renew the policy.

Subsequently, I can see Adrian Flux wrote to Mr S in June 2023 to say the finance provider for the credit agreement under which he was paying the policy premium had cancelled the credit agreement (leaving an outstanding balance of the premium due at renewal). The letter states the policy will be cancelled in seven days if payment of the balance due isn't received. The letter also indicates Adrian Flux weren't aware of Mr S's request to cancel the policy. It appears the letter was the prompt for Mr S to email Adrian Flux as a follow up to the letter he said he'd sent in April 2023.

Subsequent letters confirm cancellation of the policy and that collection of the balance calculated as due had been declined. At which point Adrian Flux passed collection to the debt recovery firm, who in turn began to contact Mr S. It was at this point (the start of July 2023) that Mr S contacted Adrian Flux directly to confirm the position with his vehicle being deemed a total loss and to challenge the outstanding balance Adrian Flux said was due.

Looking at this sequence of events, I think it likely Adrian Flux weren't aware of the position with Mr S's vehicle being involved in an accident and subsequently deemed a total loss. The evidence indicates the involvement of A in handling Mr S's claim and there's no evidence Adrian Flux were either aware of, or involved with, the claim. Mr S says he phoned Adrian Flux to tell them, but I've seen no record of a call. I think it reasonable to expect Mr S to have contacted Adrian Flux directly before the point at which he did so (when the debt recovery firm began contacting him).

I also think it reasonable for Adrian Flux to offer, as they did in their final response, to consider cancelling the policy from the date of the accident if Mr S can provide evidence to support it (and the subsequent total loss of his vehicle). That would put Mr S in the position he would have been before the policy automatically renewed. In any event, the terms of business for Adrian Flux would indicate a cancellation charge (£35) would apply, so that wouldn't be unfair or unreasonable.

Taking all these points into account, I've concluded Adrian Flux have acted fairly acted reasonably towards Mr S, so I won't be asking them to take any further action

### **My final decision**

For the reasons set out above, it's my final decision not to uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 March 2024.

Paul King  
**Ombudsman**