

## **The complaint**

Mr R has complained about his van insurance broker One Call Insurance Services Limited because having confirmed cover for his new van, it then cancelled the policy by mistake.

## **What happened**

Mr R had cover arranged via One Call, at a cost of £210.38, plus fees of £54. His van was stolen and his insurer settled with him so he could buy a replacement vehicle. One Call said if Mr R replaced the vehicle, his existing policy could be updated with that detail. But if he did not replace it the cover would be cancelled.

Mr R did buy a new van. He updated his cover via One Call and it charged him £61.14, which included an admin fee of £24.

However, due to a technical error, One Call cancelled the policy as of 25 June 2023. Mr R only found out about that about a fortnight later and, because the new van had been added, he thought he was fully covered. One Call found new cover for Mr R starting on 11 July 2023. The cost of that cover, including a fee but net some discounts, was £215.

One Call felt arranging the new cover, along with discounting it as it had, made up for erroneously cancelling Mr R's old policy. Mr R felt he'd been left out of pocket by having to pay for new cover so soon, just over three months after the cancelled policy was initially arranged and paid for. He complained to the Financial Ombudsman Service.

Our Investigator felt One Call should reimburse any difference in the cost of cover, if there was any, plus interest and pay Mr R £75 compensation.

Mr R was satisfied by that. One Call did not respond to the findings. So the complaint was referred to me for an Ombudsman's decision. I felt it should be upheld but with more redress being paid by One Call. I issued a provisional decision which Mr R responded to. He said he was happy with the outcome. One Call did not reply.

## **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.

I said provisionally:

*“One Call has accepted it made an error here. So all that remains for me to do is consider if it has done enough to make up for that error. I'm not satisfied that it has.*

*When Mr R arranged cover via One Call in March 2023, the price of his cover (not including fees) was £210.38. He then paid £61.14 when he got the replacement van. With £37.14 of that being the additional insurance cost and £24 being a fee. So his yearly price for insurance was £247.52.*

*One Call's error took place within days of the further £61.14 being paid. I'm satisfied that Mr R got no real worth out of that sum. In the circumstances, I think One Call should refund this to him in full. But also, Mr R, having paid £210 for a full year's cover just three months before the cancellation should have been able to benefit from a further nine months, at a cost to him of £157.50. I think One Call should refund that sum as well, plus interest.*

*It was 11 July 2023 when One Call got a new policy in place for Mr R. He paid it £215 for that. One Call said the total cost was much more, including a fee of £30. But it then applied a £24 discount and compensation of £150, which left Mr R with the sum to pay of £215.*

*So the overall insurance cost for that new policy was £389 (£215 plus £24 and £150), much higher than what Mr R had had to pay before (£247.52) (£210.52 initially, plus £37.14). But I think the deductions One Call applied to get Mr R to the point of only paying £215 for cover, effectively meant he did not incur any much additional cost for this cover compared to what he'd paid for the cancelled policy (only around £5 difference). Also, even if the £215 paid still includes the £30 fee, I think Mr R is no worse off for that because he's not had to pay much more in July 2023 for cover than for the policy which had been cancelled. So I don't intend to make One Call pay anything further to amend the cost of the new policy.*

*Obviously though Mr R wasn't expecting to have to pay One Call such a similar sum just a few months after cover was initially arranged. I can see that would have been worrying and inconvenient for him. Further, Mr R has described how worried he was when he found out he'd been driving uninsured for about a fortnight. I accept this was very stressful for him and he then needed to take action to deal with One Call to sort things out. This was done over a two-day period. Overall I think One call should pay Mr R £250 compensation. I think that's fair and reasonable in the circumstances to make up for the significant distress and inconvenience caused, albeit that matters were resolved within a short period.*

*To be clear, this is separate to the £150 compensation One Call applied to the bring down the cost of new cover. That £150 made good the financial impact of One Call's error. My award of £250 is for the upset suffered.*

*Finally, I note though that nothing One Call has done so far takes into account that Mr R has now had insurance cancelled and that he was without cover for a period of around two weeks. I'm going to require One Call to write two letters to Mr R, which he can share with relevant parties should he needs to explain why he's had insurance cancelled and/or why he was uninsured for a time. The first should explain One Call made an error which lead to it cancelling the policy – that Mr R did not do anything wrong to cause the cancellation. The second should explain that due to an error of it in cancelling the policy Mr R was left uninsured between 25 June and 11 July 2023 – that this was not due to any fault or failure of Mr R."*

As Mr R is happy with my provisional findings, and One Call has not objected to them, I've no need to add any further comment here. Other than to confirm that my provisional findings and award are now those of this, my final decision.

### **Putting things right**

I require One Call to:

- Reimburse the sums of £61.14 and £157.50 to Mr R, plus interest\* from the date he paid this sum to it until it reimburses it.
- Pay Mr R £250 compensation for distress and inconvenience.

- Write a letter to Mr R which he can share with relevant parties should he need to which explains that One Call made an error which lead to it cancelling the policy – that Mr R did not do anything wrong to cause the cancellation.
- Write a letter to Mr R which he can share with relevant parties should he need to which explains that due to it erroneously cancelling his policy, he was uninsured from 25 June to 11 July 2023 – that this was not due to any fault or failure of Mr R.

\*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require One Call to take off tax from this interest. If asked, it must give Mr R a certificate showing how much tax it's taken off.

### **My final decision**

I uphold this complaint. I require One Call Insurance Services Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 26 February 2024.

Fiona Robinson  
**Ombudsman**