

The complaint

Ms S complains that Saga Services Limited ("Saga") has unfairly refused to cancel her motor insurance policy and refund her full premiums owed following her request to do so.

What happened

The background of this complaint is well known between parties, so I've summarised events.

- Ms S held her motor insurance with Saga which she'd taken out in May 2023. She paid an annual premium of £270.56 up front.
- Ms S said due to changes in rules about emissions in her area, she decided she could no longer run her car and had scrapped it.
- In August 2023 she contacted Saga via its webchat to cancel the policy. Saga said Ms S would need to agree to terms around cancelling the policy, meaning she'd receive a £119.08 refund after it deducted any fees.
- Ms S objected to having to pay an admin fee and she said Saga refused to give her a full breakdown of its calculation. Saga's agent said they had given a sufficient breakdown. Saga said the policy was not cancelled at this time as Ms S never agreed to its cancellation terms.
- Since then, Ms S complained to Saga about what had happened. On 23 September 2023 Saga provided its final response, saying its terms and conditions allowed for it to charge a £50 cancellation fee, and the £25 it charged for arranging the policy wasn't refundable. So coupled with the time on cover, its explanation of how it reached the £119.06 was correct at the time Ms S first asked on the live chat.
- Saga said the policy was still active at this time as she'd not agreed to the cancellation terms – so it wouldn't backdate the cancellation unless she provided evidence the car had been scrapped as she had said.
- Ms S brought her complaint to this Service. She made suggestions on changes to Saga's processes around cancellation and breakdowns of calculations when cancelling a policy, alongside making it clearer that a policyholder would need to accept cancellation terms before it being processed. Ms S said there was no justification for Saga to see scrappage evidence in the circumstances – saying this was excessive. And she said Saga should not charge her fees when it was beyond her control as to why she had to give up the vehicle.
- The complaint was looked into by our Investigator. She didn't uphold it, saying:
 - The fees were within the terms and conditions, so it was fair for Saga to charge them.
 - Saga's agent had been clear Ms S needed to confirm she wanted to cancel the policy, and she hadn't done so. So, it was reasonable for it to keep the policy in place. In addition, it was reasonable for Saga to request proof of the vehicle being scrapped given the time had passed – as this would evidence Ms S would not be on risk during this period.

- Ms S disagreed, saying Saga had already agreed to cancel the policy when she first requested to cancel it in the web chat, and did so without evidence of scrappage. She said the webchat agent hadn't been clear about charges or calculations. And she had reiterated to Saga – around a week after the webchat she wished to cancel the policy.

So, the complaint has come to me for an Ombudsman's final decision.

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 not upholding this complaint. I'll explain why.

The subject matter of this complaint is straightforward. It's evident Ms S had the intention of cancelling her policy from August 2023 when she first contacted Saga.

What I have to consider in this case is whether it was reasonable for Saga to go ahead with the cancellation given the dispute that arose around potential charges and fees. So, I've looked at the evidence presented.

I've read through the webchat transcript carefully. During this, Ms S was clear she wished to cancel her policy and the agent asks her to confirm to the cancellation after explaining this would take into account time on cover and any fees.

Ms S requested further details of the refund and any charges. The agent explained the cancellation fee would be £50, and the arrangement fee of £25 was not refundable. Following this, a further back and forth took place and the agent explained that Ms S had received £90.16 worth of cover.

Ms S has said the agent should've been clearer in explaining the arrangement fee had already been paid. But I'm satisfied the explanation given by Saga's agent was clear.

Ms S has said Saga should've taken her intention to cancel the policy from this date. But given the dispute that followed Ms S made it clear she wished to escalate matters. Had Saga cancelled the policy at this time it'd have to have done so against her wishes as it appears she was still objecting to the terms it presented.

Following this Ms S said her follow up email to Saga made it clear she wished to still cancel the policy. I don't disagree this was her intention. However, while the dispute around the breakdown and/or fees remained the above situation still arose.

Saga has since agreed to cancel the policy going back to the original date providing Ms S provides evidence of scrapping her car. Ms S said this is excessive and she shouldn't have to provide this. Without evidence of the car being scrapped Saga has put forward that it is possible it was still on risk for the vehicle.

It strikes me that evidence of the vehicle being scrapped shouldn't be a difficult thing for Ms S to obtain and provide. I understand she objects on the basis she considers it an excessive request, but in the circumstances, I don't agree it is. And I think Saga obtaining this evidence would allow it to satisfy itself that it wasn't on risk from August 2023 onwards as the car was no longer running.

Ms S has put forward various changes she proposed to Saga's processes. Given I'm

satisfied Saga has acted reasonably I'm not going to direct it to do anything further. But even if I did think it could've been clearer, this Service wouldn't have the authority to direct Saga to change its commercial processes as Ms S has requested.

Ms S has also put forward within the life of her complaint that she shouldn't be held at fault for having to scrap her vehicle given the changes in her area. I am sympathetic to her situation, and don't doubt it would've been distressing to learn of how the rules would impact her. But these circumstances, while outside of Ms S' hands, also are outside of Saga's and not something it as an insurer has imposed on her. So, it follows I don't think it reasonably falls to Saga to alter its processes in this instance.

My final decision

For the above reasons I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 19 March 2024.

Jack Baldry
Ombudsman