

## The complaint

Miss Y complains esure Insurance Limited (esure) unfairly cancelled her motor insurance policy without giving her any notification about the cancellation. She further complains about the service she received.

esure are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As esure have accepted it is accountable for the actions of the intermediary, in my decision, any reference to esure includes the actions of the intermediary.

## What happened

Miss Y had a motor insurance policy with esure in which she paid for the premiums on a monthly basis.

She missed an agreed payment but esure agreed a plan with her to get back on track. This was not adhered to and so esure cancelled her policy.

Miss Y was stopped by the police as her car was found not to be insured. She said she had no idea she was not insured as she had not received any notification of the policy being cancelled. She would like esure to provide a letter of indemnity of which she can show the police to show she had no awareness of the policy being cancelled.

esure said her policy had been cancelled on 9 August 2023. It said it could not provide an indemnity.

Because Miss Y was not happy with esure, she brought the complaint to our service.

Our investigator did not uphold the complaint. They looked into the case and didn't think esure had done anything wrong by cancelling the policy due to non-payment of premiums and they were satisfied it had made reasonable attempts to request the outstanding balance prior to issuing a notice of cancellation.

As Miss Y is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## 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 looked at the terms and conditions of Miss Y's motor insurance policy and it says;

*"Our right to cancel your policy*

*We have the right to cancel your policy at any time by given you seven days' notice in writing where there is a valid reason for doing so. We will send our cancellation notice to the latest contact details we have for you and will set out the reason for cancellation. Valid reasons may include but are not limited to:*

*Where we have been unable to collect a payment (premium or credit instalment) we will write to you requesting payment by a specific date. If we do not receive payment by this date we will write to you again notifying you that payment had not been received and give you seven days' notice of a final date for payment. We will also tell you that if payment is not received by this final date your policy will be cancelled. If payment is not received by that final date we will cancel your policy with immediate effect and notify you in writing that such a cancellation has taken place."*

In Miss Y's case I saw esure sent her a default notice in April 2023 when the monthly payment for her policy was not received. This was followed up with a letter requesting payment. Because she didn't pay the outstanding amount, esure informed her it would cancel her policy.

Miss Y called esure on the 24 April 2023 when she received the notification of cancellation. esure agreed to reinstate her policy and advised she would be due to pay a double payment in May 2023 for the missed payment the month before. Miss Y agreed to this.

The double payment and the following monthly payment due in June 2023 was rejected by Miss Y's bank when esure tried to collect it.

I saw esure sent Miss Y a letter and an email in June 2023 informing her there was an outstanding amount due and her policy would be cancelled if payment was not received by 22 June 2023. As no contact was made by Miss Y, it sent another reminder notifying her if the outstanding amount was not received by 2 July 2023 it would have to cancel her policy.

I also saw evidence of letters and emails chasing payment were sent to Miss Y on 18 July 2023 and 20 July 2023. And on 1 August 2023 it sent a letter and email that told her the full balance of her premiums was now due by 9 August 2023 and if not received the policy would be cancelled.

I saw as Miss Y did not make the required payment of the full balance of the policy premiums, esure cancelled her policy on 9 August 2023. It sent her an email the day after to confirm cancellation.

Miss Y said she did not receive any of the emails or letters. I saw evidence that the emails and letters were sent to the correct postal and email addresses so I cannot hold esure responsible for Miss Y not receiving them. These documents were also available on Miss Y's online portal of which she had access.

esure gave Miss Y more than one opportunity to sort out payment of her policy premiums, so it fairly cancelled her motor insurance policy within the terms and conditions of her policy on 9 August 2023. She was given a number of opportunities to bring her agreement up to date and avoid cancellation.

I listened to the call made to esure by Miss Y on 17 August 2023 when she rang to say she had been stopped by the police because she had no insurance cover on her car. During this call she also made a complaint which was not escalated as it should have been and asked for a new motor insurance quote and was not given the correct guidance by esure's advisor. esure paid her £50 for the poor service on that call. I think that was a fair and reasonable amount.

Miss Y said during this call esure told her it could reinstate her policy. Miss Y was advised a new policy could be taken out with esure once the outstanding balance had been paid, but it did not tell her it could reinstate her cancelled policy.

Because I am satisfied esure made a reasonable amount of attempts to contact Miss Y and gave her suitable time to pay her overdue premiums before it cancelled her policy, I do not uphold her complaint and do not require esure to do anything further in this case.

### **My final decision**

For the reasons I have given I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Y to accept or reject my decision before 10 June 2024.

Sally-Ann Harding  
**Ombudsman**