

The complaint

Mr N complains that his broker, One Sure Insurance Limited, caused his commercial motor insurance policy to be cancelled and didn't tell him this. He wants the cancellation marker removed.

What happened

Mr N said he renewed his policy through One Sure and paid for it up front. Mr N said his policy was cancelled when the insurer said he hadn't sent it information to validate his policy. But Mr N said he'd sent One Sure his driving licence update online. And he'd posted his change of address, a copy of his driving licence and proof of his new address to One Sure.

One Sure said the insurer had written to Mr N at his old address but he didn't receive its letters. So the insurer cancelled the policy and returned a refund of premium to One Sure. Mr N said he only discovered the policy had been cancelled two months later. One Sure later returned the premium refund to Mr N. But he thought if it had done this sooner, or called him, then he would have known his policy had been cancelled. Mr N said the cancellation has caused an increase in his new premium and stress and anxiety.

Our Investigator recommended that the complaint should be upheld in part. She thought One Sure had acted fairly when it followed the insurer's instruction to cancel the policy and then notified Mr N of this by email as this was in keeping with its procedures. But she thought it should have refunded Mr N's premium sooner after it had been returned by the insurer. And she thought it should pay Mr N £100 compensation for this.

One Sure replied that it agreed to do this. But Mr N replied that if One Sure had refunded his premium sooner then he would have avoided driving his car and so avoided being involved in an incident. He said the other driver's insurer was now pursuing him for damages. Mr N asked for his complaint to be reviewed, so it's come to me for a 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.

I can understand that Mr N feels stressed and frustrated that his policy was cancelled, and he didn't learn of this for two months. I was sorry to hear about the effect this has had on his finances and his mental health. I can see that Mr N has made a separate complaint to the insurer about its decision to cancel his policy and record a cancellation marker. My consideration here is only about the actions of One Sure, his broker.

When Mr N's policy was renewed, he was asked to send One Sure, amongst other things, a copy of his driving licence and proof of his address. One Sure said he could send these by post, fax or email. It also emailed Mr N asking him to email the required documents. Mr N said he posted the requested documents to One Sure, but unfortunately he doesn't have proof to show this. We're an evidence based service, so without proof of postage I can't say that One Sure then received and mislaid the documents.

Six months later, the insurer told One Sure that it hadn't received the requested documents, so it issued notice of cancellation by letter. It said the letters sent to Mr N were returned

marked “addressee gone away”. It then cancelled the policy and so I think it was too late for One Sure to then check the address with Mr N.

One Sure has shown us that it also sent Mr N an email notifying him of the insurer’s intention to cancel the policy and requesting the two outstanding items to prevent this. I think this email could have been sent a few days earlier when One Sure received the insurer’s notification. But I think Mr N was still provided by One Sure with sufficient warning of the cancellation so that he would have been able to send in the requested documents. Mr N said he didn’t receive the email, but I can see it was sent to his correct address. I haven’t seen evidence that One Sure’s emails had faults at that time.

Mr N had been with One Sure for many years. And so I think it would have been good practice for it to call him about the missing documents as he’d already paid for his policy and clearly wanted the cover in place. But One Sure said it wasn’t its policy to call customers about cancellations. And I can’t reasonably require One Sure to do this. So I can’t say it did anything wrong in this.

Mr N said he didn’t receive confirmation that the policy had been cancelled. We believe that insurers should take reasonable steps to ensure that policy holders are told that their policy has been cancelled as this will have serious consequences for them and expose them to possible court action. One Sure has explained that it was the insurer’s role to tell Mr N that his policy had been cancelled. So I can’t hold One Sure responsible for not informing Mr N of this or for the consequences of Mr N driving whilst uninsured.

One Sure’s terms of business state that refunds of premiums will be issued when they are received from the insurer. It warns that this may take between six weeks and six months.

One Sure received a refund of Mr N’s premium from the insurer and I think it should then have promptly returned this to Mr N. But One Sure didn’t return the premium to Mr N until three months after it had received it from the insurer. If it had made the refund earlier, this may have alerted Mr N sooner that he was uninsured. But I can’t say this for certain as I don’t know when Mr N would have received the refund after One Sure had completed its processes. So I can’t hold One Sure responsible for the consequences of Mr N driving whilst uninsured.

However, I think the delay in returning the refund to Mr N did cause him trouble and upset as he needed to pay for new cover, and he had to chase One Sure for the repayment. And, in keeping with our published guidance, I think One Sure should pay Mr N £100 compensation for this, as it’s already agreed to do.

Putting things right

I require One Sure Insurance Limited to pay Mr N £100 compensation for the distress and inconvenience caused by its administration of his policy, as it’s already agreed to do.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require One Sure Insurance Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr N to accept or reject my decision before 26 June 2024.

Phillip Berechree
Ombudsman