

## **The complaint**

Mr S has complained about POLICY EXCESS INSURE LTD (PEX). He isn't happy about the way it set up and subsequently cancelled his motor insurance policy.

## **What happened**

Mr S took out a motor insurance policy through PEX online and paid his premium but when PEX undertook its verification call the policy premium increased. He went on to agree to an increase in premium and an instalment plan, but Mr S says that he wasn't told a credit agreement was proposed at that time. And when PEX said a further increase in premium was due, after it questioned Mr S' no claims discount, Mr S looked to cancel his policy as he had lost confidence in PEX.

So, PEX cancelled the policy and charged time on cover, a cancellation fee, a credit agreement fee, and commission. As Mr S wasn't happy about this and the fees PEX deducted from the original premium he paid he complained to PEX and then this Service.

Our Investigator looked into things for Mr S and upheld his complaint. She thought it was fair for PEX to charge time on cover and a cancellation fee, but that it should refund the credit agreement fee, the commission clawback and pay 8% simple interest for the time Mr S was without the money owed. And she thought it should pay Mr S £100 compensation for the poor service received.

Both sides agreed but there was a delay in finalising the suggested settlement and so Mr S asked for the complaint to be reopened and the matter has been passed to me for review.

## **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 think this complaint should be upheld. I can understand why Mr S wants more compensation and why he has become frustrated with the delay in settlement. But I think the suggested settlement feels fair. I'll explain why.

I don't propose to go over the finer detail of this complaint as it is accepted that PEX shouldn't have charged for cancelling the proposed credit agreement (£50), which Mr S wasn't aware of, and the commission clawback (£108.89). But I will focus on the key remaining points.

Mr S doesn't want to pay his time on cover as he wasn't sure whether he could use his car for the eight days he was insured. While I can understand his position his car was insured and if anything happened in this period of time the insurer would have been responsible, so I feel it is only fair that he pays time on cover and the cancellation fee (which Mr S accepts).

However, I'm not sure from the information before me that Mr S has been charged correctly for his time on cover. I've reached out to PEX to see if there was any additional information to clarify this while the matter has been with me for consideration, but it hasn't been able to provide this. So, although I'm satisfied that Mr S should pay time on cover it may be that he hasn't been charged correctly (just over £80) but he will have to advance that separately with the insurer as they are responsible for this.

Mr S accepted the level of compensation outlined (£100) by our Investigator initially before going on to say he would like more after there was a problem paying the agreed settlement. While I can understand this, and I know Mr S feels the failure to pay the agreed settlement was intentional (although there isn't any evidence of this). There just appears to have been a problem in arranging payment to Mr S and it isn't the role of this Service to punish businesses in any event. And this level of compensation is in line with the kind of awards I would generally make in cases like this so I'm not asking PEX to pay more in compensation.

Given all of this, I agree that the fair and reasonable thing to do in the particular circumstances of this case, is for PEX to pay Mr S £100 compensation for the poor service, stress, and inconvenience all this caused, in addition to refunding the clawback commission, and the credit agreement charge (plus simple interest for the time Mr S has been without the money owed). And I'll leave Mr S to ask the insurer to double check that he was charged the correct time on cover.

### **My final decision**

It follows, for the reasons given above, that I uphold this complaint. I require POLICY EXCESS INSURE LTD (PEX) to refund the £50 fee for cancelling the credit agreement, refund the £108.89 commission clawback and pay 8% simple interest on this from the date of cancellation until the date of refund. Plus, £100 compensation for the general poor service and lack of customer care. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 July 2024.

Colin Keegan  
**Ombudsman**