

## **The complaint**

Mr M complains that BISL Limited failed to act on his instructions to cancel his motor insurance policy.

## **What happened**

Mr M purchased insurance for his car on 4 September 2023. BISL are the administrators of the policy. The policy was set up to be paid monthly by direct debit. A credit agreement was in place to finance the policy. His direct debit payments were collected under the agreement in September, October and November 2023.

Mr M says that he called BISL on 27 October 2023 to cancel his policy as he no longer needed it as his car had developed a fault and he was no longer using it. Mr M says having been on hold for about 30 minutes he had a conversation with an agent from BISL and discussed the cancellation of his policy.

Mr M called BISL from work using his office phone which he's told us doesn't display the caller number to the recipient. BISL haven't been able to find any record of a call from Mr M on 27 October 2023. They've told us that before being put through to an agent the caller is asked to enter their policy number for verification purposes, and they can't find any record of a call relating to Mr M's policy.

Mr M hasn't been able to provide evidence of the call, as his office phone doesn't retain call history and he can't get call records from his employers.

BISL have provided evidence that Mr M's records weren't accessed by him from when the policy was inception on 4 September 2023 and 14 January 2024.

Mr M says that after his direct debit payment was taken in November 2023 he tried to call BISL about his cancellation but after waiting on hold he hung up. He then cancelled his direct debit payment with his bank on 6 December 2023.

BISL wrote and emailed Mr M on 8 December 2023 about the cancellation of his direct debit and asked him to call them. Their letter said if payment wasn't made by 15 December 2023, his policy would be cancelled. They wrote again on 9 December 2023 saying they'd not received a payment, asking him to contact them urgently, and saying a cancellation fee of £35 plus any outstanding payments would be due if payment wasn't received by 15 December 2023.

BISL cancelled Mr M's policy on 28 December 2023 as they hadn't heard from him. And told him he owed them £112.53. This was the £35 cancellation fee and £77.53 for the time his car had been on cover which wasn't covered by the direct debit payments he'd made.

Mr M raised a complaint with BISL which they didn't uphold. They said there was no record of him contacting them on 27 October 2023. They'd cancelled his cover on 28 December 2023 and he owed them his outstanding premium and the cancellation fees, details of which were set out online when he took out his policy and in his 'Motor Welcome Pack.'

Unhappy with BISL's response Mr M complained to our service. Our investigator didn't uphold the complaint as he was satisfied with the evidence BISL had provided to show they had no record of Mr M contacting them on 27 October 2023 to cancel his policy. When Mr M cancelled his direct debit our investigator was satisfied that BISL had given him notice of the overdue payments, asked him to contact them, and then cancelled his policy and applied cancellation charges in line with his policy terms and conditions. And as Mr M hadn't been able to provide any evidence that he called BISL to cancel his policy, our investigator didn't think BISL had done anything wrong.

Mr M didn't accept our investigator's opinion as he said there's nothing in his policy terms and conditions saying that he had to provide evidence that he'd called BISL to cancel his policy.

The case has now come to me for a 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.

Mr M's policy required him to contact BISL to cancel his policy. The policy would be cancelled from the date of the cancellation request or any later specified date. Following cancellation, if payment was being made by instalments, the balance of any outstanding premium is still due. And if the policy is cancelled after 14 days then cancellation charges apply.

The policy terms and conditions are clear that where payments are made by instalments, cancelling the direct debit instruction doesn't mean the policy has been cancelled. And the policy sets out details of the grounds on which the policy can be cancelled by BISL, which include non-payment of premium.

BISL have told us that every call leaves a footprint on their systems as a policyholder is asked to enter their policy details for verification before a call is answered. But they've been unable to trace the call Mr M says he made on 27 October 2023 regarding the cancellation of his policy. They told Mr M that if he provides evidence of the call then they'll reconsider the case, and I think this is reasonable.

Mr M has said he made the call on his work phone and he's not able to request phone records. He objects to being asked to provide evidence of the call as he says he followed the cancellation procedure set out in his policy. And his policy doesn't state that he'll be required to provide such evidence.

While I understand the Mr M says he followed the required procedure to cancel his policy, unfortunately BISL can't find a record of his call. In these circumstances I think it's reasonable for BISL to ask for evidence of the call. And as this was only requested as BISL can't trace the call, this isn't something I'd expect to be detailed in his policy.

Mr M was aware that a cancellation charge of £35 was payable by him if he cancelled his policy. His monthly direct debit of £60.25 was taken on 7 November 2023. So he believes that BISL owe him £25.25 rather than him owing them money. He's told us he tried to call a number of times during the following week but was cut off in a queue. I appreciate that the time it takes for calls to be answered can be frustrating. But there were other ways Mr M could have contacted BISL, such as their web chat.

Mr M has told us he wrote to his insurers on 22 November 2023 about the difficulties with his

direct debit payments and didn't receive a response. But as this letter wasn't sent to BISL I can't say they did anything wrong in not replying to a letter they weren't aware of.

In the event of non-payment of premiums the policy states that it may be cancelled following seven days' notice being sent to policyholder's last known address. BISL wrote to Mr M on 8 and 9 December 2023 and then cancelled his policy on 28 December 2023, as he'd not contacted them.

I'm satisfied that Mr M's policy was cancelled in line with his policy terms and conditions. He was notified that he owed a total of £112.53. The £35 cancellation fee and £77.53 for the cover provided under the policy from the date of his last direct debit payment and the date of cancellation.

Mr M isn't happy with being charged for policy cover after 27 October 2023. But in the absence of evidence confirming cancellation of the policy on that date, I'm satisfied that this amount was correctly payable up to the date BISL cancelled the policy.

I'm also satisfied that the missed direct debit payment was correctly registered with the credit reference agencies. This payment was linked to a Fixed Sum Loan agreement and the terms of that agreement were breached by Mr M. So I won't be asking BISL to take any further action.

### **My final decision**

For the reasons set out above my final decision is that I don't uphold Mr M's complaint about BISL Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 November 2024.

Patricia O'Leary  
**Ombudsman**