

The complaint

Mr F complains about charges collected by One Call Insurance Service Limited ("One Call") after his car insurance policy was cancelled.

What happened

In December 2023 Mr F took out a car insurance policy online. The policy was arranged and administered by One Call. Mr F says he never received any notification or documents confirming this policy had been set up, so he took out another car insurance policy with another provider around the same time.

One Call subsequently debited £287.68 from Mr F's bank account, but this was returned to Mr F after he raised a chargeback with his bank. The policy was then cancelled in January 2024, after which One Call debited £262.76 from Mr F's bank account. Mr F raised a chargeback on this payment, but I understand this time his bank didn't agree to reverse the charge.

In its final response, One Call said it didn't agree there had been any incorrect actions on its part in the administration of Mr F's policy. However, as a gesture of goodwill, it offered to waive a £35 charge for a mileage tracker it said hadn't been returned, and offered also to refund the £55.99 cancellation fee and £30 broker fee.

Our investigator found One Call's response fair. She said she was satisfied One Call had shown it had provided Mr F with his policy documents after he took the cover out, and hadn't unfairly applied cancellation charges.

Because Mr F didn't agree, the complaint has been referred to me to decide.

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 understand Mr F will be disappointed by this, but I think One Call has already offered to resolve the complaint in a fair and reasonable way. I'll explain why.

Firstly, I should explain I'm only considering within this decision the actions of One Call as the seller and administrator of the policy. I won't be considering whether the cancellation of the policy was unfair – since the cancellation was authorised by the underwriter who are a different business. If Mr F wishes to complain about the cancellation, he'll need to make a separate complaint to the policy underwriter.

I understand One Call were responsible for providing Mr F with his policy documents after he completed the online application. One Call has provided me a copy of the policy welcome letter dated 16 December 2023, and notes from its system showing this was sent. Although I note Mr F said he never received anything, I could only hold One Call at fault if either it hadn't sent this letter to Mr F, or if it had made an error such as using the wrong address

which caused Mr F not to receive the letter. On balance, I'm satisfied One Call sent the letter, and did so correctly. While I recognise Mr F says he didn't receive this, I can't hold One Call responsible for this. And I think One Call provided Mr F confirmation his policy had been set up.

Turning now to the payment One Call collected after the policy was cancelled, I've looked at how the premium is paid. The policy Mr F took out was 'Pay as you Drive', which means a tracker would record how many miles the car was being driven and the premium varied according to this. The nature of the policy meant there was no option to pay annually and instead it could only be paid for on a monthly card payment taken automatically by One Call.

One Call said in its final response these automatic payments were agreed to before purchasing the policy through a Continuous Payment Authority which was set out in the policy terms. Given the lack of payment options for this policy, I find it likely Mr F would have needed to agree to this payment term when he took the policy out. So I don't think One Call collected a payment without having the authorisation to do so.

Finally, I've considered the charges which were applied after the policy was cancelled. Mr F was charged £262.76 after the cancellation, broken down into the following:

Costs for days insured	£47.77
Broker fees	£30.00
Cancellation Fee	£55.99
Mileage charge	£129.00

I should note here that at one point a charge of £35 for non-return of the mileage tracker was sought – but a payment for this was never collected from Mr F and One Call has now agreed to waive this charge, so I haven't included this above.

One Call has explained that the costs for days insured charge of £47.77 and mileage charge of £129.00 were from the underwriter. Since those two charges were from a different business, I can't consider them here. If Mr F thinks those two charges were unfair, he'll need to make a separate complaint to the policy underwriter about them.

That leaves only the broker fees of £30 and cancellation fee of £55.99 as charges applied by One Call I can consider here. I don't think One Call did anything wrong - it set up a policy which Mr F applied for, it provided him with confirmation it had set the policy up, and it tried to collect payment but couldn't because of a chargeback Mr F had requested without telling it. So I don't think it was unreasonable for One Call to collect the broker fees and cancellation fee after the policy was authorised to be cancelled since One Call had provided those services and hadn't incorrectly administered the policy.

In its final response, One Call offered to waive the £35 tracker charge and reimburse Mr F the broker fee and cancellation fee, which I think was more than fair. As such, I don't find that One Call needs to do anything more than this.

Ultimately, Mr F chose to take out the policy and I'm satisfied One Call sent the policy documents confirming the policy had been set up. In taking out the policy, Mr F agreed to be bound by the policy terms – including the amount he was charged. And One Call has charged what the insurer said he was liable for under the terms of the policy in addition to its contractually set out fees. So, I can't say One Call has acted in an unfair way in the way it's administered Mr F's policy.

My final decision

One Call Insurance Services Limited has already made an offer to waive the £35 tracker charge, and refund Mr F £85.99 – comprised of the £30 broker fee and £55.99 cancellation charge, and I think this offer is more than fair in all the circumstances.

So my decision is that One Call Insurance Services Limited should pay Mr F £85.99, and waive the £35 tracker charge, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 5 December 2024.

Daniel Tinkler
Ombudsman