

## **The complaint**

Mr F complains that I Go 4 Ltd (trading as WiseDriving) didn't give him clear information about the amount owed on his insurance policy when he called to cancel it. He says this caused him to be contacted by debt collectors for an outstanding balance.

## **What happened**

Mr F insured a car on a policy arranged by his broker, I Go 4 Ltd. When Mr F called them to cancel the policy, I Go 4 Ltd told him he needed to pay a sum to clear the policy's remaining balance, which he did. He was told his policy was cancelled with nothing more to pay.

Later, Mr F was contacted and told there was an outstanding balance due on the policy. They explained that at the time of cancelling the policy, a direct debit payment had been due on the same day but had failed. I Go 4 Ltd confirmed the agent who cancelled the policy should have advised Mr F that he was only paying a cancellation balance, but he would still need to pay the remaining direct debit.

Mr F contacted I Go 4 Ltd to complain and they responded in March 2024 – they said while an error had been made, there was still a balance to pay for a cancellation fee, time on cover, and a telematics fee. However, I Go 4 Ltd did agree that there had been some customer service failings and awarded £50 compensation – which they offered to reduce the balance owed.

Mr F didn't agree with the final response or compensation offered. He said he had been given incorrect information on several occasions when speaking to I Go 4 Ltd when he cancelled the policy. He said I Go 4 Ltd told him there had been nothing more to pay, so he shouldn't have to pay anything more for their error. He was also unhappy with the waiting times when trying to contact them to discuss the issues. Unhappy with their reply, Mr F brought the complaint to this Service.

An Investigator looked at what happened and recommended the complaint be upheld. He said while he agreed it was right for I Go 4 Ltd to request the outstanding balance owed under the policy, he felt their offer of £50 compensation wasn't enough to make up for their service failings when dealing with Mr F. He recommended they pay an additional £100 to put things right.

Mr F agreed with our Investigator's findings but I Go 4 Ltd didn't – they said £50 compensation was a fair sum to reflect the impact their actions had on Mr F and said additional compensation was excessive. They asked for an Ombudsman to consider the complaint – so it's been passed 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.

The background of this complaint is well known to both parties, so I won't repeat everything in full again here. But as I Go 4 Ltd have confirmed they provided Mr F with incorrect

information when he cancelled his policy, I don't need to make a finding on whether I Go 4 Ltd have acted unfairly here, because they've already confirmed they made a mistake.

Instead, I need to consider what the impact of the mistake was and what steps they've taken to address this. While I Go 4 Ltd has focused their response to the Investigator on whether the policy was always going to be cancelled, and whether Mr F would still need cover, I don't think they've properly addressed the inconvenience caused by providing incorrect information in the first place.

As Mr F's broker, I Go 4 Ltd was obliged to provide Mr C with information that was clear, fair, and not misleading, in line with their obligations under the FCA's Principles. I'm satisfied the information provided led Mr C to believe the payment being made concluded the policy and there was nothing more to do. So, I don't think I Go 4 Ltd met their obligations. As I'm satisfied I Go 4 Ltd did something wrong here, I need to consider the impact of this mistake and how to put it right.

### **Putting things right**

I've thought about the experience Mr F had when dealing with this claim. I haven't detailed everything here – but I've considered everything Mr F has said about the impact on him. I have sympathy for Mr F's complaint about poor communications from I Go 4 Ltd - he's particularly unhappy about their failure to provide updates and I can also appreciate being contacted by a debt collection department would have been concerning for him.

As I believe I Go 4 Ltd caused Mr F distress and inconvenience, I think it is fair and reasonable that they compensate him for that. I appreciate Mr F has been offered £50 previously. And while I've considered I Go 4 Ltd's comments as to whether an increased award is fair, having looked at everything that's happened and the impact to Mr F, I think I Go 4 Ltd should pay an additional £100 compensation. I find this to be reasonable in the circumstances and a suitable sum to recognise the impact of I Go 4 Ltd's actions.

### **My final decision**

My final decision is that I uphold this complaint. I require I Go 4 Ltd trading as WiseDriving to pay a total of £150 compensation (inclusive of the £50 already offered).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 12 December 2024.

Stephen Howard  
**Ombudsman**