

The complaint

Mr B complains that One Sure Insurance Limited (“One Sure”) mishandled his motor insurance policy.

What happened

Mr B had a car, first registered in 2013.

One Sure is an insurance intermediary or broker. For the year from 15 March 2023, Mr B took out a policy through One Sure to cover the car. The cost for the year was about £1,400.00.

One Sure wrote a letter to Mr B dated 23 February 2024, saying that it would cost about £3,600.00 for the forthcoming year. That included an arrangement fee of £150.00 and legal protection for £37.50. In addition, there would be interest for paying by ten instalments each of about £435.00 to a finance company.

One Sure wrote a letter to Mr B dated 15 March 2024, confirming that it had renewed the insurance.

One Sure cancelled the policy with effect from 15 April 2024.

On about 15 April 2024, the finance company tried unsuccessfully to collect a payment of about £435.00 from Mr B’s bank account. The finance company wrote a letter to Mr B dated 16 April 2024, saying that it would try again on 25 April 2024.

One Sure wrote a letter to Mr B dated 19 April 2024, confirming cancellation, and saying that he owed £584.97.

One Sure wrote a letter to Mr B dated 25 April 2024, asking him to send any certificate of insurance from another provider from 15 March 2024.

At Mr B’s request, the bank refunded Mr B about £435.00 on about 2 May 2024.

One Sure wrote a letter to Mr B dated 9 May 2024, saying that it might instruct debt recovery agents to recover £584.97.

Mr B complained through us to One Sure.

By a shortened form of final response dated 22 May 2024, One Sure rejected Mr B’s complaint.

Mr B asked us to investigate.

One Sure continued to pursue Mr B for a balance calculated as follows:

Arrangement fee

£150.00

Time on cover	£589.55
Additional products	£ 37.50
Cancellation fee	£ 85.00
Total charges	£862.05
Less collected by finance company (less interest)	£277.08
Balance	£584.97

Our investigator recommended that the complaint should be upheld in part. She thought that One Sure didn't fulfil the requirements of the advised sale. She thought that One Sure's actions had resulted in avoidable distress and inconvenience over a matter of several weeks. She recommended that One Sure should:

1. if Mr B provides evidence that he was insured somewhere else:
 - 1.1 ensure the policy is treated as not taken up; and
 - 1.2 write off any outstanding premium and/or fee balance; and
 - 1.3 ensure any adverse record on Mr B's credit file, caused by the outstanding payment, is removed; and
2. pay Mr B £150.00 compensation

One Sure disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says, in summary, that:

- Its terms of business document is clear on the automatic renewal process.
- Mr B simply recalled payment for the renewal and then ignored the debt.
- Mr B failed to provide evidence of other cover.
- It has done nothing wrong.

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.

Neither One Sure nor Mr B has sent us documents from the time that he took out the policy for the year from March 2023. So I haven't seen that One Sure sent Mr B its terms of business at that time, including terms about automatic renewal.

I accept that One Sure's letter dated 23 February 2024 said that it would automatically renew the policy. And that letter gave details of how Mr B could get in contact to stop the renewal. However, that information was all on the second page of the letter.

The letter was headed “*Renew your Car Insurance for just £3599.99*”. That is a large amount of money and a large increase on the previous year’s cost. It is also more than the recorded value of Mr B’s car. In my view, many reasonable consumers would’ve stopped reading before turning to the second page.

The first page of the letter included the following:

“...a recommendation that you switch your Car Insurance to [a new insurer] ...we are making this recommendation for a replacement policy from renewal...”

That doesn’t sound like an automatic renewal. And the first page of the letter didn’t contain any information about automatic renewal or how to stop it.

So I’m not satisfied that One Sure did enough to tell Mr B that the policy would automatically renew or how to stop that.

The policy was to cover Mr B and no other driver of his car (such as his wife). Mr B has explained that he was having problems with his eyes. He has shown us evidence from DVLA that his car was subject to a SORN (statutory off-road notification) with effect from 15 March 2024. Keeping in mind the modest value of the car, I think it’s fair to say that he didn’t want to insure the car while it was off the road – and certainly not at a cost of over £3,500.00.

Putting things right

For these reasons, I find it fair and reasonable to direct One Sure to:

1. treat the policy from 15 March 2024 as not taken up; and
2. not ask Mr B to pay any part of the charges totalling £862.05; and
3. remove any adverse information it has given to credit reference agencies;

Also, I consider that One Sure’s “renewal” and its pursuit of Mr B for money were both unfair and caused Mr B distress and inconvenience that has lasted for many months. However, I have to say that Mr B could’ve made things easier for himself if he had responded to One Sure’s letters of 23 February 2024 or 15 March 2024 or if he had mentioned the SORN much sooner.

So overall, I find it fair and reasonable to direct One Sure in addition to:

4. pay Mr B £150.00 for distress and inconvenience.

My final decision

For the reasons I’ve explained, my final decision is that I uphold this complaint in part. I direct One Sure Insurance Limited to:

1. treat the policy from 15 March 2024 as not taken up; and
2. not ask Mr B to pay any part of the charges totalling £862.05; and
3. remove any adverse information it has given to credit reference agencies; and
4. pay Mr B £150.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 December 2024.

Christopher Gilbert

Ombudsman