

The complaint

A company, which I'll refer to as 'O', complains that One Sure Insurance Limited renewed his commercial motor policy without his consent and has unfairly increased the charges for the cancellation of the policy.

Mr D brings the complaint on O's behalf. For ease I'll refer to Mr D throughout this decision.

What happened

In April 2022 Mr D took out a commercial motor insurance policy through One Sure. However, in May 2023, Mr D made contact with One Sure as he said this policy cover had been renewed without his consent in April 2023. He requested that the policy was cancelled. One Sure cancelled the policy and requested a sum of £1273.15 for the charges incurred and the premium for the time on cover.

Mr D felt that this was unfair and contacted One Sure. He reiterated that he had not agreed to the renewal of the policy and so he didn't think he should be charged. One Sure disputed this as it said he had called them to renew the policy. However, in October 2023 after continued correspondence with Mr D, it offered to remove the charges which meant Mr D only had to pay for the time the policy had been in existence. One Sure told Mr D the amount outstanding was £192.11. Mr D agreed to this offer and paid this sum in two instalments over the next few months.

In January 2024 One Sure noted that Mr D had reversed a direct debit payment for the first premium instalment in April 2023 and so it requested an additional sum of £452.57 from him. Mr D didn't agree he owed this sum and so he complained to One Sure and then brought his complaint to this service.

Our investigator looked into this matter but didn't think the complaint should be upheld. He found that Mr D had called to renew the policy in April 2023 and so he didn't think One Sure had set up the policy without Mr D's consent. He also noted that One Sure had provided a copy of the Terms of Business which had been digitally signed by Mr D in April 2023, along with information to show Mr D had added vehicles to the policy in April 2023 and May 2023. Our investigator therefore didn't think it was unfair for One Sure to request payment for the time that Mr D had the benefit of the policy cover. As Mr D had cancelled the premium payment, our investigator said it was reasonable for One Sure to pursue Mr D for this outstanding payment.

Mr D disagreed with our investigator's view. He said a discrepancy in the call meant that he believed the recording was from 2022 and therefore it wasn't evidence that he had requested the renewal of the policy. He said that he had only agreed to make the payment of £192.11 under considerable pressure as One Sure was demanding significantly more. Mr D stated this payment had been made to settle the issue and not accept liability for any further charges. As no agreement could be reached, the matter has 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.

It is important to point out that we're an informal dispute resolution service, set up as a free alternative to the courts for consumers. In deciding this complaint I've focused on what I consider to be the heart of the matter rather than commenting on every issue or point made in turn. This isn't intended as a discourtesy to Mr D. Rather it reflects the informal nature of our service, its remit, and my role in it.

Was the policy set up without Mr D's consent?

Mr D has stated that he didn't contact One Sure to renew his policy and so he believes it was set up without his consent. And it is for this reason he doesn't think he should be charged for the cancellation. One Sure has provided a recording of a conversation it says it had with Mr D on 3 April 2023 to set up the policy and I've listened to this call. And having done so, I'm satisfied that One Sure did set up the policy with Mr D's consent. I'll explain why.

In this call Mr D is provided with a quotation for the new policy and, after a discussion about the price, he agrees to the policy being set up. In the call the One Sure advisor reads out the information about the fees and charges, including the costs he would be charged if he was to cancel the cover.

I'm aware that Mr D disputes that this call took place on 3 April 2023. He has listened to the call and has pointed out that the One Sure advisor says the policy will run from '*today's date until 3 April 2023*'. He therefore believes this call took place in 2022. Having listened to the conversation I can agree with Mr D that the advisor does say the policy will end in 2023 so I can understand why he is concerned this call isn't for this policy. However, having thought about this carefully, I'm persuaded this call is from April 2023, and not April 2022.

In the call the advisor provides Mr D with the total price of his cover, including the fees. And I've seen a copy of the documentation for the policy which started on 3 April 2023 and this details the premium that has been charged. When the arrangement fee and legal charge are added, these figures match what was advised in the call. I've also seen the 2022 policy document and I note the premium for that year is different – suggesting this isn't a conversation from when he took out the previous years' cover in 2022. In addition, the policy for the previous year ended on 1 April 2023, which doesn't match the date in the call. Taking all of this information into account, I am of the opinion that the advisor simply made a mistake and referred incorrectly to the end date as being 3 April 2023, instead of the correct date of 3 April 2024. I'm satisfied that the call took place on 3 April 2023.

Mr D has also referred to the digitally signed Terms of Business which he says he didn't sign. Mr D has said he thinks this is from 2022. I appreciate Mr D's comments, but this doesn't persuade me that he didn't take out the policy on 3 April 2023. This form is dated 25 April 2023 which is also the same date that One Sure says he added some vehicles to his policy. So, I think it's more likely than not that he did sign this document. But even if I was to accept that Mr D didn't sign this document, I'm still persuaded the policy was taken out on 3 April 2023 during the phone call with One Sure.

I've also been provided with another call recording from 17 April 2023 between Mr D and One Sure. In this call Mr D says he wants to cancel the policy as he has been able to obtain a cheaper quote. The One Sure advisor tells Mr D he will have to pay £1271.57 if he chooses to cancel the policy on that date. Mr D says he wants to have a think about it and so

asks for the information about the cost of cancellation to be sent to him by email. This leads me to believe that Mr D was aware of the policy prior to May 2023 when he asked One Sure to cancel the cover.

Has One Sure unfairly charged Mr D for the cancellation of the policy?

Mr D maintains that he shouldn't be charged for the cancellation of the policy. He has said that he only agreed to pay the £192.11 to resolve the matter. He feels that One Sure shouldn't be able to demand he pays this additional amount of £452.56.

As I've stated above, I'm persuaded that Mr D did take out the policy. And as a result I think One Sure had the right to apply the relevant charges when he cancelled the cover. However, I can understand why Mr D was surprised to be asked to pay an additional amount after One Sure agreed to accept a lower sum from him. So, I've looked into what happened here.

In October 2023, One Sure sent an email to Mr D saying that it wanted to reach a resolution to his complaint. It said that it was willing to remove all the charges on the policy '*apart from that from the underwriters for the time you had the cover*'. It said this would reduce the balance from £1273.15 to £192.11. Mr D agreed to this offer in November 2023 and made a payment for 50% of the sum in December 2023, with the remaining amount due in January 2024.

After this agreement was reached, One Sure says it became aware that Mr D had reversed the premium payment which was made in April 2023. This meant that Mr D hadn't paid in full for the time that the policy was live during which he had the benefit of the cover. So, it requested the sum of £452.57 to cover this unpaid premium.

I've thought about this point carefully. I can appreciate why Mr D thinks that One Sure can't request more money from him. However, One Sure made it clear in the email to Mr D that the offer was to remove all charges except for the premium due for the time the policy was live. It had calculated the amount due on the basis Mr D had already made a payment for some of the premium in April 2023. As this payment was reversed by Mr D, I don't think it is unreasonable for One Sure to request Mr D repays this sum now it has become aware of this fact.

In conclusion, I'm satisfied that Mr D consented to the policy being set up in April 2023 and he didn't cancel this policy until May 2023. As Mr D had the benefit of the policy cover during this time, I think it is reasonable for One Sure to pursue Mr D for the payment of the premium for the period of time. I would recommend that Mr D contacts One Sure as soon as he is able to discuss how to take this forward.

My final decision

For the reasons stated above, I don't uphold this complaint.

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

Jenny Giles
Ombudsman