

## **The complaint**

Mr B complains One Insurance Limited (“One”) unfairly cancelled his motor insurance policy and replaced it with a more expensive one.

References to One include the actions of its agent(s).

## **What happened**

The Investigator considered the complaint and recommended that it should be upheld. He said, in summary:

- In August 2023 Mr B took out a pay as you drive policy with One. This required a tracker to be fitted, as well as an upfront premium and then a monthly payment based on the number of miles driven. In early January 2024 tracking data wasn't being received, so One sent Mr B several letters over the following months. Mr B didn't receive these as he was abroad, which was likely why there was no tracking data. In April 2024 the policy was cancelled and replaced with a standard policy. Mr B's card was charged about £600. Mr B then made contact with One and found out what had happened. He complained and cancelled the standard policy.
- The Investigator found Mr B had taken the policy online, and all communication had been online, so he thought an expectation for online communication had been set. He also found while One said it emailed and/or texted Mr B, it couldn't evidence this. The Investigator took this, and the motor industry practice for cancellation notices to be sent by two different mediums, into account. Having done so, he wasn't satisfied One had done enough to communicate with Mr B that there was a problem, that the policy would be cancelled, and that the policy would be replaced.
- The Investigator thought if One had communicated enough, the policy wouldn't have been cancelled, and that Mr B had lost out as a result. He said Mr B had lost out financially and also been caused unnecessary distress and inconvenience. To put things right he recommended One:
  - Refund any overcharged mileage costs.
  - Refund any costs relating to One's replacement policy that haven't already been refunded.
  - On receipt of evidence of a new policy, pay Mr B a pro-rata refund based on the cost of Mr B's new policy elsewhere from its inception (provided this was after April 2024) until 26 August 2024, the date Mr B's pay as you drive policy was due to expire. If there is not a replacement policy, a pro-rata refund of the pay as you drive policy should be given with no charges or fees deducted.
  - 8% simple interest per annum should be added to each of the above.
  - Pay £200 compensation for the distress and inconvenience caused.

Mr B accepted the Investigator's recommendation. He provided details of his new policy and said the One policy started in September 2023 rather than August 2023. The Investigator

shared this information with One and amended his redress recommendation. One didn't respond to the Investigator's recommendation, despite several follow-up emails. As an agreement couldn't be reached, the complaint 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.

I find the Investigator's recommendation, and his reasons for it, fair and reasonable in the circumstances. It follows I uphold this complaint and required One to:

- a. Refund to Mr B any overcharged mileage costs.
- b. Refund to Mr B any costs relating to One's replacement policy that haven't already been refunded.
- c. Pay Mr B a pro-rata refund of the new policy premium (£339.11) from 14 May 2024 (the date the policy started) to 17 September 2024 (the date the pay as you drive policy would have ended).
- d. Pay Mr B simple interest at 8% a year on a, b and c from the date they were paid until the date of settlement; and
- e. Pay £200 compensation for the distress and inconvenience caused.

### **My final decision**

I uphold this complaint and require One Insurance Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 December 2024.

James Langford  
**Ombudsman**