

The complaint

Miss S complains Atlanta Insurance Intermediaries Limited (Atlanta) are requesting payment of premiums following the cancellation of her motor insurance policy.

Miss S is being represented in this complaint by a family member, but as Miss S was the policyholder, and for ease, I've referred to her throughout.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events. In July 2023 Miss S purchased a motor insurance policy through Atlanta. Miss M took out a finance agreement to pay the annual premium and Miss M would repay the finance monthly.

In December 2023 Atlanta contacted Miss S to say it had been made aware there was an issue with the direct debit and no payments had been made towards the finance agreement. In January 2023 Miss S's father contacted Atlanta to set up a new direct debit and a new finance agreement was entered into. Atlanta contacted Miss S again to say no payments had been received and it would be cancelling the policy if it didn't receive a response. After some discussion with Miss S, she decided to cancel her policy. It was cancelled from 19 March 2023. Atlanta contacted Miss S to say there was an outstanding balance of £1,135.68 which needed to be paid.

Miss S raised a complaint. She said the direct debit was live and she had made payments towards the finance agreement. She said evidence of this had been sent to the finance provider. On 13 May 2024 Atlanta issued a final response to Miss S's complaint. It said it had spoken to the finance provider who had confirmed it hadn't received any payment towards the finance agreement. It also said the account Miss S had used to set up the direct debits wouldn't allow direct debit payments. It said it hadn't received any supporting evidence Miss S had made payments. It said it was correct to request the outstanding balance. Miss S didn't think this was reasonable and so referred her complaint to this Service.

Our investigator looked into things. He said he was persuaded no payments had been received toward the agreement and so it was reasonable for Atlanta to cancel the policy in line with its terms of business. He said he thought the steps it had taken to recover the outstanding balance were reasonable, and he hadn't seen evidence Miss S had made any payments.

Miss S didn't accept our investigator's view. She said she had made payments towards the finance agreement and she would look to provide evidence of this.

As Miss S didn't agree with our investigator, 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.

The terms of business Miss S agreed to when she purchased her motor insurance policy state:

'13. Debt Collection Procedure

If any instalment payments are missed or defaulted, the policy will potentially be cancelled if payment is not made within 14 days of the notification date. You will be issued with a letter notifying you of the non-payment and you will be given 14 days to ensure that this payment is made.

In the event that any premiums/and or fees remain outstanding to us, we may refer your debt to a debt collection agency and/or the company solicitor. The debt collection agency and the company solicitor may make further charges to recover any balances outstanding.'

Miss S has said she made payments towards the finance agreement and provided evidence of this to the finance provider. Atlanta have said it can't see any payments have been received, and the finance provider has said it hasn't received any evidence of payments being made. It has said there is an outstanding balance of £1,135.68 which is owed for the time Miss S was on cover.

Atlanta have provided evidence from the finance provider that no payments have been received towards the finance agreement. Therefore I don't think it's unreasonable for Atlanta to require Miss S to pay the outstanding balance for the period she was insured. I think it has done so in line with its terms of business.

Miss S has said she provided bank statements to the finance provider which showed payments being made toward the finance agreement, but she has been unable to provide these to this Service. I acknowledge Miss S has said she has had difficulties obtaining these statements as she no longer holds the account, but I think she has had ample opportunity to obtain and provide the statements to this Service. I've not seen any evidence Miss S had made payment toward the finance agreement and so I don't think it's unreasonable for Atlanta to chase the outstanding balance from her.

If Miss S is able to obtain her bank statements at a later date she can look to provide these to Atlanta or the business managing the outstanding debt, but based on the evidence available and the reasons I've explained I don't require Atlanta to take any further action in relation to Miss S's complaint.

My final decision

For the reasons I've explained I don't uphold Miss S's complaint about Atlanta Insurance Intermediaries Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 20 February 2025.

Andrew Clarke
Ombudsman