

The complaint

Mr D complained about Somerset Bridge Insurance Services Limited's actions when he cancelled his motor insurance policy.

What happened

When Mr D sold his car and cancelled his policy through Somerset Bridge, his broker, they said he owed a cancellation charge. He felt that Somerset Bridge didn't give him a breakdown of the amount they said he owed or explain why it was due, cut off his phone call and didn't call him back, and gave him poor service. He was unhappy when he received a payment demand from debt collectors. Somerset Bridge agreed to put the debt collection on hold while they looked at his complaint. But in the meantime Mr D received another letter from them about the outstanding balance.

Somerset Bridge said that their charges were calculated correctly, they'd explained them clearly in the terms of business and that Mr D had agreed to that when he took out the policy. But they did agree to waive their charge claimed because they accepted that their service hadn't met their expected standards. They also offered and paid Mr D £75 in compensation for his distress and inconvenience. Mr D remained unhappy and complained to this Service.

The investigator recommended that his complaint should be upheld as Somerset Bridge hadn't acted fairly as regards the compensation. He recommended that they should pay an additional £75 in compensation. They didn't agree and so I've been asked to decide.

Mr D had another complaint against Somerset Bridge but that has been dealt with separately and I don't comment on it here.

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.

Somerset Bridge have shown us that under their terms of business they were entitled to charge him as they did when he cancelled his policy.

I think that it was fair of them to waive the charges. However they accepted that their service had been poor. I think that Somerset Bridge gave Mr D very mixed messages about the matter. They contradicted themselves in that even after they agreed to waive the charge, they sent him another letter demanding it. Somerset Bridge apologised and said that was a system generated letter. But Mr D was understandably confused, and I think their actions caused Mr D unnecessary confusion and distress. It had more impact on Mr D than a simple error and therefore requires more compensation than that would. I agree that a total of £150 compensation is more reflective of the impact on Mr D. I understand that Somerset Bridge have paid the £75 already so they should pay him an additional £75.

My final decision

For the reasons given above, my final decision is that I uphold this complaint and I require Somerset Bridge Insurance Services Limited to do the following:

- Pay Mr D an additional £75 in compensation for his distress and inconvenience

Somerset Bridge must pay the compensation within 28 days of the date on which we tell them Mr D accepts my final decision. If they pay later than they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 April 2025.



Rosslyn Scott
Ombudsman