

The complaint

Mr H is complaining that Wakam UK Limited cancelled his commercial vehicle insurance policy.

What happened

Mr H took out a commercial vehicle insurance policy provided by Wakam. But Wakam later cancelled it. It said Mr H hadn't signed the credit agreement he'd taken out to pay the annual premium. But Mr H says he wasn't aware Wakam had asked him to do this or that it had cancelled the insurance policy because he says it emailed an address he'd asked Wakam to not use. He said he first became aware of the cancellation when a further payment was taken from his account.

Wakam didn't uphold Mr H's complaint as it said it had emailed both email addresses. Mr H disputed this so referred his complaint to this Service.

Our Investigator asked Wakam to show it had emailed the correct email address, but it didn't reply. As a result, the Investigator said he hadn't seen anything to show Wakam had asked Mr H to sign for the credit agreement or advised him it was cancelling the policy. So he said it should refund what Mr H had paid and pay him £100 in compensation.

Mr H accepted the Investigator's opinion and he reiterated the impact this matter had had on him. Wakam still didn't reply to the Investigator. So the complaint's 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 see no reason to reach a different conclusion to the Investigator. I make the following comments:

- Wakam hasn't shown it communicated with Mr H in a way other than an email address he'd asked it to not use. So I've not seen anything to show Wakam reasonably made it clear to Mr H he needed to sign the credit agreement.
- Due to the significant implications of cancellation, I would have expected Wakam to have advised Mr H of the pending cancellation through separate forms of communication – i.e. in an additional way other than email, such as post or telephone. Wakam hasn't shown it's done so and, in fact, its response to Mr H's complaint suggests it didn't.
- I'm satisfied Mr H didn't see any of Wakam's correspondence and it's reasonably foreseeable that this would happen if Wakam communicates through an email address it was told he rarely uses.
- I find that Mr H has lost out because of what Wakam has done wrong. Had it communicated with the way it should have done I think Mr H would have done what he needed to and the policy wouldn't have been cancelled.

Mr H has had to take out another insurance policy which was more expensive. He's also had inconvenience in putting things right. The Investigator thought Wakam should refund the deposit Mr H paid plus 8% simple interest. He also thought it should pay Mr H £100 in compensation. I see no reason to award anything different to this.

My final decision

For the reasons I've set out above, it's my final decision that I uphold this complaint and I require Wakam UK Limited to do the following to put things right:

1. Refund the £676 deposit Mr H paid;
2. Pay 8% simple interest on the deposit from when he paid it until he gets it back *;
3. Pay Mr H £100 in compensation for the distress and inconvenience this matter has caused him.

* If Wakam thinks that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr H how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 4 March 2025.

Guy Mitchell

Ombudsman