

## **The complaint**

Ms E complains that Somerset Bridge Insurance Services Limited ('SBISL') – trading as Vavista – is pursuing her for an outstanding balance after she cancelled her motor insurance.

## **What happened**

Ms E had a motor insurance policy, taken out in March 2024 and arranged by SBISL, acting as insurance broker. In June 2024 she cancelled her policy because she'd sold her car. A week later, SBISL wrote to her to say there was an outstanding balance due on her account. It asked her to pay £467.79.

Ms E says, in summary:

- When she cancelled the policy, her insurer's credit provider confirmed that she didn't owe anything more.
- Her premium payments were up to date, so she doesn't think there's any justification for SBISL's charge.
- SBISL has quoted different amounts, so she doesn't trust what it says she owes.

SBISL explained that:

- Ms E took out the policy on 26 March 2024.
- SBISL cancelled her policy from 28 June, as requested.
- It agreed she didn't owe the policy credit provider any money.
- However, she had to pay cancellation charges, as set out in its Terms of Business.
- It waived its £75 cancellation fee, so the remaining charges were £392.79.
- It later reduced this by a further £100.
- It offered to set up a payment plan for the outstanding balance.

Ms E didn't agree and brought her complaint to this service. She told us this had been a "*stressful and confusing*" situation. She doesn't think the balance is reasonable and believes SBISL is being deceitful about it.

Our investigator didn't recommend that the complaint should be upheld. He found that SBISL had waived £175 in fees leaving the outstanding balance at £292.79. He was satisfied that the remaining balance was in line with SBISL's terms and was fair.

Ms E didn't accept this, so the complaint was passed to me.

## **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.

Ms E took out the policy on 26 March and cancelled on 28 June, meaning she had 94 days

on cover.

SBISL explained the balance to us. It said:

- The premium for 94 days cover was £318.19.
- Interest for the same period was £104.55.
- Its Broker Arrangement Fee was £283.54. It reduced this by £100 “*in recognition of the fact that the fee was high for 93 [sic] days spent on cover.*”
- It also waived the £75 cancellation fee “*as a gesture of goodwill.*”
- A “*mid-term adjustment fee*” was £50.
- “*Add-ons*” were £106.10. It didn’t explain this further.
- Ms E paid a deposit and monthly premiums totalling £494.59.
- This left an outstanding balance of £292.79.

SBISL has been inconsistent in explaining the balance calculation to us. I've reviewed the fees proposed against the charges set out by SBISL's Terms of Business (ToB) I'm still not persuaded it's calculation is correct. I believe the following is fair:

- Ms E's policy documents show her annual premium was £1,307.91 and interest was £203.67. I think the pro-rated premium for 94 days' cover should be £336.83<sup>1</sup> and interest £52.45<sup>2</sup>.
- SBISL agreed to deduct £100 from its broker arrangement fee. I think this is fair so this fee should be £183.54.
- The policy schedule and 26 March letter show the following policy add-ons: Legal expenses (£29.99), personal accident cover (£26), breakdown cover (£96.99). The ToB says add-ons will be charged in full, but breakdown cover will be pro-rated. That means this should be £24.98<sup>3</sup> and the total add-ons £80.98.
- Mid-term adjustment fee £50. SBISL hasn't provided any justification for this fee. I think this should be removed.
- Cancellation fee £75. SBISL agreed to waive this.
- Direct debit arrangement fee £25. I'm satisfied that this fee should be charged.

Allowing for the pro-rated cover and reduced/waived fees, this gives a total of £678.80. SBISL says Ms E has paid £494.59 so I think the balance owed should be £184.21.

Ms E accepts that SBISL can “*send correspondence chasing the payment*”. However, she's unhappy with the frequency and tone of its correspondence to her. For example, she told us it had been sending her messages at 4am. While I haven't seen evidence of messages at unreasonable hours, I agree that SBISL's correspondence has been unfair. For example:

- On 25 June, SBISL told Ms E it couldn't tell her if there was “*any outstanding balance or refund due*” because the credit provider was calculating her final direct debit.
- On 2 July 2024 it sent her a letter/email titled “*URGENT ACTION REQUIRED*”. This described the outstanding charges as “*a shortfall in the premium*” and a “*balance of premium*”. I think this was confusing given Ms E's policy credit provider confirmed she didn't owe any outstanding premiums.
- SBISL sent weekly demands for payment, including threatening to “*refer the outstanding balance to our debt collection agency.*” Given Ms E was understandably challenging the amount owed, I don't think this was fair.

---

<sup>1</sup> 94/365 x £1,307.91

<sup>2</sup> 94/365 x £203.67

<sup>3</sup> 94/365 x £96.99

I think SBISL caused Ms E distress in its frequent demands for payment, including the threat of debt recovery action. This continued while her complaint has been with us. I'd normally make an award for this to reflect the distress caused to Ms E, but in this case I think SBISL should deduct £100 from the outstanding debt.

We asked SBISL about both my calculation of the outstanding balance and its communications to Ms E, but it failed to respond.

### **Putting things right**

SBISL should reduce Ms E's outstanding debt to £84.21 to reflect the recalculation of premium and fees, and the distress it caused in its correspondence to her.

### **My final decision**

My final decision is that I uphold the complaint and order Somerset Bridge Insurance Services Limited to reduce Ms E's outstanding balance to £84.21.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 12 March 2025.

Simon Begley  
**Ombudsman**