

The complaint

Mr S complains about the cost of cancelling his motor insurance policy due to the poor service provided by BISL Limited ("BISL").

What happened

Mr S took out an insurance policy on July 2024 with BISL acting as broker. He paid the full premium upfront. Due to BISL's error he says he received an email on 23 August telling him he owed £202.12. He contacted BISL via webchat but wasn't satisfied with the explanation given. Mr S says he was given a number to call, but this wasn't correct. He then received another email later the same day again demanding a payment for £202.12.

Mr S contacted BISL by webchat the next day and was told he'd receive revised policy documents, and a transcript of his webchats. He says none of this information was received. Mr S was concerned about his policy and at BISL's ability to manage its systems. After further contact Mr S says he felt unsafe using BISL and sought alternative cover. He says the business should refund 9/12th of the 'key care' and 'legal' cover charges. As well as paying compensation for the distress and inconvenience it caused him.

In its final complaint response BISL says Mr S gave the wrong date for a fault claim when applying for his policy. When it carried out checks it found another claim, which added £202.12 to Mr S's premium. It says he informed it on 1 August 2024 that there was only one claim, and he'd used the wrong month in his application. BISL amended the policy details which then resulted in a reduction of £17.55 from the original premium.

BISL says an administration error occurred which meant it sent Mr S further correspondence regarding the £202.12 additional premium. It says an error was also made, which resulted in the complaint he'd made being closed prematurely. It apologised for this error and paid Mr S £45 compensation.

Further contact was exchanged between Mr S and BISL. The business then agreed not to charge its cancellation fee for £45 if he decided to cancel the policy.

Mr S didn't think BISL had treated him fairly and referred the matter to our service. Our investigator didn't uphold his complaint. He says BISL acted reasonably when it acknowledged its mistake and confirmed Mr S's policy was correctly in force. He thought it was fair that it paid £45 compensation for its administration errors. And that it removed its cancellation fee. But he didn't think the business need do more.

Mr S didn't accept our investigator's findings. As an agreement wasn't 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.

Having done so I'm not upholding Mr S's complaint. Let me explain.

I've checked Mr S's policy terms. More specifically, the cancellation section. It says:

"Cancellation fee

If either you or We cancel more than 14 days after receiving your policy documentation We will charge you a fee of £45 plus the cost for the period of cover you have benefitted from."

And:

"..If you cancel the additional products taken out with your policy, but not the main policy within 14 days of receiving your policy documentation, you will pay for time on cover only. After this time, no refund will be given. If you cancel the main policy then any additional products taken out will also be cancelled."

Because Mr S cancelled his policy after the 14-day period specified, he's liable to pay a £45 cancellation fee. No refund is required in relation to the key safe or legal cover, as these are additional products. I think these terms are clearly written. So, on cancellation Mr S should receive a refund of his annual premium less his time on cover, BISL's cancellation fee, and the cost of the additional cover. As it is he wasn't charged for the cancellation fee and received £45 in compensation.

I've thought carefully about whether it was fair for BISL to charge Mr S what it did when cancelling his policy. To understand more, I've read the transcripts of the web chats between him and BISL's agents.

The transcript from 1 August 2024 shows Mr S confirmed the amended date for the at-fault claim. BISL updated its records and confirmed the small refund in premium. Mr S ended the chat thanking the agent for her reassurance that the policy was in force.

During the webchat on 23 August 2024 Mr S says there has obviously been an error as he's received another demand for £202.12. He says this has undermined his confidence. The agent assures Mr S that the policy was updated and "*sorted out*" at the start of August. And that there had been an error with emails being sent out due to an I.T. issue. Mr S says he had expected an apology. The agent then says sorry. Mr S asks for assurance that the business is capable of managing his insurance and asks to speak to someone senior. The agent then provides a phone number for Mr S to contact. The chat then ends.

The next webchat took place the following day. Mr S explains he'd received another email demanding £202.12. He says the previous agent had given him an incorrect number to contact. BISL's agent apologised for the system error that had resulted in this incorrect correspondence. She confirms there is no problem with Mr S's policy and that "*everything is in order*". The agent says she will send an up to date set of documents via email to reassure Mr S. He asks for a complaint to be registered and asks about cancellation fees being removed if he wanted to cancel. The agent says she can log a complaint and asks Mr S to describe the reason for this and resolution he's looking for. There's no further comment from Mr S after this and the web chat ends.

Having considered all of this I think BISL's agents made it clear there was a system issue. This is why Mr S received two emails in error asking him to pay £202.12. The agents he spoke to assured him there was no issue with his policy. This was reiterated several times. I understand Mr S had concerns given the emails he'd received in error. But I think BISL's agents were clear that his policy was in force and there were no problems. Mr S acknowledged that the correspondence was "*obviously an error*". So, although I understand

his concerns, I don't think this means the charges he refers to should've been removed.

As discussed BISL hasn't charged a cancellation fee. I think this is reasonable. But I won't ask it to refund more.

Clearly Mr S was caused some inconvenience when he had to make contact to query the emails that BISL sent in error. I note his comments that he was distressed due to concerns that BISL wasn't capable of administering his insurance. In these circumstances I think it's fair that the business pays Mr S compensation. But I'm satisfied, given what I've read, that £45 is fair here. So, although I'm sorry to disappoint Mr S I won't be asking BISL to do more.

My final decision

My final decision is that I do not uphold this complaint.

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

Mike Waldron
Ombudsman