

The complaint

Miss B complains Somerset Bridge Insurance Services Limited provided a poor service as an insurance intermediary.

What happened

In January 2024 Miss B took out motor insurance arranged by Somerset Bridge. The policy was provided by an insurer - I'll call it 'D'. She used finance to pay for the policy - making monthly payments of around £218.

As Miss B's car had a fault, it was taken to the dealership. It was out of action for a while. As the car wasn't in use, in May 2024, Miss B asked Somerset Bridge for a backdated cancellation of the policy. She asked that, before it cancelled the policy, she be told how much she would receive as a refund.

Somerset Bridge said D would require proof of the car being out of use. After some back-and-forth Miss B provided information D was satisfied by. In June 2024 Somerset Bridge told her it had backdated a cancellation to 17 April 2024.

Miss B was eventually refunded £56, but she had anticipated two or three months of payments as a refund – so something closer to £400 - as the cancellation had been backdated by a similar period. She asked, because of the disappointing refund, Somerset Bridge to reverse the cancellation. It said it wasn't possible. Miss B complained about not being told, as was agreed, how much refund she would receive before the cancellation was actioned.

Somerset Bridge accepted it had provided poor service. To recognise that it paid Miss B £150 compensation alongside the £56 refund. She wasn't satisfied with that. She made a chargeback to reclaim two of her payments, totalling £437, from her finance provider.

Somerset Bridge then issued a formal final response to Miss B's complaint. It said it had calculated her refund correctly, applying the correct fees. It explained her chargebacks had resulted in an outstanding balance, as the payments to her finance provider had been accounted for in the cancellation refund. It again accepted it had provided poor service, by incorrectly cancelling her cover. In recognition it said it would waive a £75 cancellation fee and deduct £100 from its broker fee. However, that still left an outstanding balance of £277.52 it expected Miss B to pay. Unsatisfied with Somerset Bridge's response Miss B referred her complaint to the Financial Ombudsman Service. She asked for the outstanding balance to be cleared.

Our Investigator found Somerset Bridge had failed to inform Miss B of the amount she would receive as a refund before it cancelled the policy. But she felt that omission didn't really make a difference, as Miss B would have agreed to the cancellation anyway had she been told the refund was only £56. The Investigator felt Somerset Bridge had done enough to make up for its mistakes by offering compensation and to waive various fees. She didn't agree Miss B's refund had been incorrectly calculated. So she didn't recommend Somerset

Bridge waive the outstanding balance. As Miss B didn't accept that as a resolution the complaint was passed to me to decide.

I issued a provisional decision. Its reasoning forms part of this final decision, so is copied in below. In it I explain why I intended to require Somerset Bridge to waive Miss B's outstanding balance. I also invited both parties to provide any further comments or evidence they would like me to consider before issuing this final decision.

what I've provisionally 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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Miss B and Somerset Bridge have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

First, I'm satisfied the initial £56 refund was calculated correctly - and in line with the terms of Miss B's policy. I'm not going to explain the various fees and charges applied to the refund in detail. The Investigator outlined those in her view. And I'm satisfied the fees were made clear to Miss B when she took out the policy - or that where they weren't made clear, that it wouldn't have made a difference to her decision to buy the cover.

Somerset Bridge accepts it incorrectly cancelled the policy, so I don't need to consider what happened there is any detail. Instead, I've focused on the impact of that error. I think it's unlikely Miss B would have agreed to the cancellation had Somerset Bridge told her the refund would be only £56. I've discussed the matter with her. She explained she was expecting her car to be returned to her by the dealership once it was repaired. It hadn't been sold or returned to the dealership permanently.

Miss B therefore had an ongoing need for motor insurance. In the event of the policy being cancelled, she would need to take out new cover soon after. As a result, she explained it wouldn't have made economic sense to agree to a cancellation in exchange for a refund of £56. She makes a reasonable point.

So I'm persuaded by Miss B's argument that she wouldn't have agreed to the cancellation if Somerset Bridge hadn't failed to inform her of the refund. I've considered what it should do to put things right for her. I'm unable to easily calculate the financial loss she incurred because of its omission. That's partly because Miss B hasn't provided sufficient evidence of the cost of her new insurance. She's shown a few quotes from a price comparison service, rather than evidence of the amount she actually paid. She also added to the complexity of matters by her chargebacks.

In the interest of avoiding a complicated calculation and instead reaching a simple, quick and fair resolution I intend to require Somerset Bridge to meet Miss B's request to waive the outstanding balance.

Whilst this matter has been frustrating for Miss B, I'm not going to award any compensation for distress or inconvenience. I don't consider the impact on her of Somerset Bridge's omission to have been so significant to merit any.

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 didn't provide a response. Miss B didn't challenge my main finding - that Somerset Bridge waive the outstanding balance. So I've no reason to change my position on that.

Miss B provided some additional evidence to demonstrate the cost of her new cover. She sent in a screenshot of part of a bank statement showing two July 2024 payments to an insurance firm. Unfortunately, that's not enough for me to make an informed assessment of any financial loss.

The screenshot doesn't provide enough detail. I need to be able to undertake a more informed comparison of the new cover and the Somerset Bridge policy. As examples, I needed to understand if the type and level of cover is similar, if they are based on similar circumstances - including claim records. I'd also have needed to understand the full cost of the new policy. That level of information would usually be available in policy documentation, but unfortunately Miss B hasn't provided any.

So I'm not going to require Somerset Bridge to cover any additional insurance cost or pay any compensation. I will though require it to waive Miss B's outstanding balance.

My final decision

For the reasons given above, I require Somerset Bridge Insurance Services Limited to waive Miss B's outstanding balance.

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

Daniel Martin
Ombudsman