Financial Ombudsman Service

The complaint

Mr C complains that One Call Insurance Services Limited overcharged him and took money it wasn't entitled to after his motor insurance policy lapsed.

What happened

Mr C held a motor insurance policy with One Call. Part way through the policy, the direct debit set up to pay for the policy was cancelled. This led to One Call initiating its cancellation procedure.

But, before the policy cancelled, Mr C called and made the payment that couldn't be taken to keep the policy live.

At the same time, a new direct debit agreement was set up. But, by mistake, rather than setting that to last for 8 months as it should have, it was set up to last for 10. This meant that each monthly payment was less but spread over a greater period of time.

Shortly before the policy lapsed, One Call explained to Mr C that after it lapsed, a further payment would be taken.

The policy lapsed and One Call took the payment from the account which Mr C had used to pay the missing payment earlier in the policy year.

Mr C didn't think this was fair. He didn't think One Call had any reason or justification to take that last payment and complained. He also initiated a payment dispute with his payment provider to recoup the money One Call took.

One Call said it was able to take the payment based on the terms of business and the continuous payment authority (CPA) contained within them. But it said it should have set up the direct debit properly to begin with, so agreed to refund that final payment. It said though it wouldn't agree to a payment dispute on top of that refund.

Mr C remained unhappy and brought his complaint to us. He though One Call should compensate him for the distress and inconvenience it caused him. He said he was never refunded by One Call and that his payment dispute was successful.

Our Investigator didn't think Mr C's complaint should be upheld. He thought refunding the final payment or around £30 was a reasonable resolution. He thought ultimately it was money One Call was entitled to take, in the way that it took it. But he acknowledged, like One Call, that the direct debit should have been set up properly to begin with.

Mr C didn't agree and asked for an Ombudsman's decision.

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 it.

I'll not be detailing the events here, and in line with our role as informal service, my finding will be brief.

I'm satisfied One Call was entitled to take the money from Mr C.

It's clear the direct debit was set up over a longer period, which reduced the amount paid each month. But the total due for cover was the same overall. Mr C would have been paying the same amount.

I'm satisfied One Call made it clear that after the policy lapsed a further payment would be taken – and it's that payment that's in dispute here.

I'm also satisfied One Call was able to take the payment from the account it did. The terms of business Mr C agreed to contains a CPA, and there's no evidence to support that he opted out of this.

But, despite the schedule of the direct debit being clear, it should have been set up differently.

Ultimately, One Call has agreed not to charge that final amount of just over £30. Mr C says he was never refunded but that his payment dispute was successful, and he got the money that way. One Call says it refunded Mr C and defended the payment dispute. I've not seen evidence of either. But I'm not persuaded that matters. However it happened, effectively Mr C hasn't had to pay that last payment. I'm satisfied that's reasonable compensation for the issue.

Because the payment was due, and taken by means One Call was entitled to use. I'm not requiring it to take any further action in this complaint.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 July 2025.

Joe Thornley
Ombudsman