

## **The complaint**

Mr P has complained about his insurance broker 1 Answer Insurance Services Ltd (1A) – he believes it misled him about reducing his insurance and caused him to remain with the insurer for longer than needed. All of which resulted in him incurring extra costs.

## **What happened**

When Mr P's policy was due for renewal he spoke with 1A about the proposed premium. He noted he had incurred some points on his licence and explained he was contesting them, fully expecting them to be removed. He asked, if that happened, would his premium reduce. He understood from 1A's response that it would.

Mr P's policy renewed on 1 June 2024. Mr P, in July 2024, received an email from the courts which confirmed the points would be removed by the DVLA. He sent the email to 1A and chased it over the coming weeks to amend the premium. 1A said the insurer wasn't replying to it. When it did reply it said it wouldn't amend the price. 1A searched for an alternate insurer for Mr P and found one offering a lower premium, lower by about £600. 1A gave Mr P the option of switching his cover to it. Mr P said he would cancel and find cover elsewhere. He asked 1A to provide confirmation of his No Claims Bonus. It said it couldn't provide this.

When Mr P cancelled, 1A told him there was an outstanding balance to pay of £860.70, including a cancellation fee of £75. Mr P had been paying by a credit agreement and a continuous payment authority allowed 1A to take three payments of around £75 towards the outstanding sum. A fourth payment was challenged by Mr P and returned to him by his bank.

Mr P complained to the Financial Ombudsman Service. He said he'd been promised a reduction and 1A had broken that promise. He said it had caused delays, such that cancelling would cost him around £1,000. Mr P said he was unhappy that, even though he had cancelled the cover, 1A had still taken money from him.

Our Investigator reviewed the calls Mr P had with 1A. She was satisfied it had not misled him or promised him as he recalled it had. She was satisfied it had said that, as a broker, it could ask the insurer to amend the premium, but it couldn't guarantee the insurer would do so. She felt it hadn't caused any delays. Our Investigator checked 1A's calculations for the outstanding premium it had required Mr P to pay. She was satisfied it had given Mr P a correct value based on the figures it had received from the credit provider and the insurer. So she wasn't minded to require 1A to do or pay anything to Mr P to reimburse or make up for the costs he'd been charged.

However, our Investigator felt 1A could have done more for Mr P regarding his No Claim Bonus. She explained that Mr P was not entitled to a Bonus for the period from renewal until cancellation. But she noted he had been with 1A the year before – so she felt it could have given him confirmation of the Bonus for that year. She said it should do that now and pay £150 compensation.

1A agreed. It said it would provide confirmation of the Bonus and, at Mr P's request, pay him £150 compensation, or reduce the amount he owed by that amount.

Mr P remained unhappy. He said he felt 1A had lied to him and likely had edited the call recordings. He felt it should have acted sooner to allow him to cancel in a reasonable time, when he wouldn't have been charged so much. Mr P said he didn't believe 1A had acted, in line within the appropriate regulations, to look after him.

Mr P also sent our Investigator details of another policy he had cancelled. He noted the cancellation fee was less than that 1A had charged. Mr P wanted to know how 1A justified charging such a high fee and how it could be possible that two brokers would charge different sums.

The complaint was referred 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.

I appreciate Mr P is unhappy with what happened when his policy renewed via 1A. I know he feels lied to and let down by it – that it made promises to him that it did not keep. I'd like to assure Mr P that I understand what he recalls about what happened and I've also listened to the call recordings provided by 1A. I've also seen the bank statements Mr P provided showing payments going to 1A after cancellation and I've considered the payment details and relevant premium sums presented by 1A. Both parties can be reassured that I've taken all of the relevant evidence into account in order to fully determine what happened here and if 1A failed Mr P.

I can also assure both parties that, when considering this complaint, I've taken into account all of the relevant rules, good industry practice and relevant guidance, including the regulations reference by Mr P. However, in line with our the informal nature of our service, I won't refer specifically to them in my findings.

#### Advice at renewal (about reduction in premium)

I accept Mr P's account of what he recalls. But, having listened to the call recording, I don't think that 1A did make any promises to Mr P. It is possible for two parties to have a conversation and come away with different understandings or recollections of what was said. I don't know if that is what occurred here. But what I do know is what 1A said to Mr P about the possibility of his premium being reduced if/when the points were removed. I've listed the key responses from 1A's advisor below:

- Some insurers may amend the premium.
- Premiums/amendments are a matter of the "insurer's discretion".
- [The advisor] can't promise that will happen here because 1A is only the broker.
- [The advisor] can't say "for definite", but 1A can ask the insurer.
- 1A can't give an indication of what, if any, reduction might be offered until the points are actually removed.

I'm satisfied, having heard the recordings, that they do not seem to have been edited as Mr P has suggested they might have been. I'm also satisfied that during the calls with Mr P, 1A listened to him and was clear with him about what it could and could not do.

Once Mr P had sent 1A proof that the points had been removed, 1A did approach the insurer as it had said it would. When that didn't result in the outcome Mr P wanted, 1A did find a lower priced policy elsewhere. The price of that alternate policy (about £600 less than the

policy which had renewed) did not suit Mr P but 1A had not promised him what price it would achieve for him once the points were removed.

I'm satisfied that 1A did not make any promises to Mr P when he spoke with it about the points being removed. I'm also satisfied that, once they were removed, 1A did what it had said to Mr P it would do – see if a reduced premium could be obtained. I find that 1A did not fail Mr P in this respect.

### Delay

The policy had been in place for about a month when Mr P sent 1A proof from the courts of the points removal. I'm satisfied that 1A then approached Mr P's insurer with a view to achieving a reduced premium. It didn't cause any delays in this respect. I understand the insurer took some time to answer 1A – but 1A could not control how or when the insurer would respond. I find 1A did not cause any delays to this point.

It was within a few days of Mr P's next monthly payment that 1A informed Mr P of the outcome of its enquiries. 1A then searched for new quotes for Mr P and Mr P decided to cancel. Which 1A then put in place. I find 1A did not cause any delays in this respect.

### Cancellation and monies owed

Mr P requested to cancel the cover on 31 July 2024. It ended on 2 August 2024. Mr P had arranged for new cover to start so I can understand why he would expect payments to 1A to cease. But I've also heard Mr P's calls with 1A on 31 July 2024 where the advisor explained that there would be monies owing for the cover Mr P had had (in June and July 2024). As Mr P had agreed a continuous payment method with 1A, I don't think it was unreasonable, in the circumstances, that payments continued.

1A wrote to Mr P confirming the outstanding sum for him to pay was £860.70. After that 1A successfully took payments from Mr P totalling £232.14. This brought the total owed down to £628.55.

I know Mr P's monthly premium sum was £375, and he'd paid a deposit of £116 for the cover too. So I can understand, after just two months and having made payments, Mr P was upset to be told over £800 was owed. But I do think 1A asked Mr P for the correct amount based on the detail it was given by the other financial business involved.

To be clear – 1A is only the broker, it is the insurer that sets the price for cover and determines what sum will be reimbursed when a policy is cancelled and it is the credit provider which manages the finance agreement, including what is owed on that. Here:

- The credit provider said £3,004.15 was owed on the finance agreement.
- The insurer said it would reimburse £2,218.45 of the total premium sum.
- The insurer's reimbursement meant £785.70 was owed to the credit provider.
- Mr P's agreement with 1A included a £75 cancellation fee.
- 1A added the cancellation fee to the sum owed to the credit provider – the total being £860.70.
- £860.70 was the sum 1A told Mr P he owed.
- The further payments 1A took from Mr P totalled £232.14.
- 1A deducted the total sum of £232.14 paid by Mr P from the amount initially owed (£860.70), leaving £628.55 for Mr P to pay.

I'm satisfied 1A handled this fairly. In my view it did not fail Mr P in this respect. If Mr P thinks the sum owed to the credit provider is wrong, or the sum reimbursed by the insurer is not correct, he can complain to those businesses.

#### Cancellation fee

I note that Mr P, after our Investigator issued her view, said that he was concerned about the cancellation fee, in essence that it was unfair. Mr P had not previously put his concerns about the cancellation fee to 1A. He would need to raise this with 1A first before this Service could consider his complaint in that respect.

#### No Claims Bonus

A No Claims Bonus is accrued yearly. So 1A was correct in telling Mr P that it could not give him a Bonus for the policy which had renewed in 2024 – because it was cancelled after only two months. But I think 1A should have realised that Mr P was entitled to confirmation from it of the Bonus he'd accrued for the prior policy year. I'm satisfied it failed Mr P in this respect.

#### **Putting things right**

1A has accepted that it should have handled the situation regarding the Bonus better. It has agreed to provide Mr P with confirmation of his Bonus accrued to the point of renewal in 2024. It's also agreed to an award of £150 compensation. I'm satisfied that is a fair and reasonable resolution in the circumstances here and I require 1A to provide; confirmation of the Bonus and settlement of the compensation sum of £150.

Regarding settlement of the £150 compensation; 1A has agreed to either pay the sum of £150 to Mr P, or to reduce the sum Mr P owes by £150. It will only have to do either of these things if Mr P accepts this final decision. If he accepts it, within 14 days of doing so, he should tell 1A whether he wishes for it to pay him £150 or have the amount he owes reduced by £150. 1A should honour his choice. However, if Mr P does not tell 1A within that time, 1A should ensure the sum Mr P owes is reduced by £150.

#### **My final decision**

I uphold this complaint. I require 1 Answer Insurance Services Ltd to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 July 2025.

Fiona Robinson

**Ombudsman**