

The complaint

Mr B complains about BISL Limited's administration of his car insurance policy.

What happened

In September 2024, Mr B took out a car insurance policy that was administered by BISL. This included a finance agreement (the agreement) Mr B took out, to pay the annual policy premium. The finance agreement included monthly repayments via direct debit.

In October and November 2024, there were failed payments under the agreement.

Mr B contacted BISL in December 2024. He asked it to move the current monthly repayment date from the 20th of each month to the 1st. BISL said it was unable to do so, and paid Mr B £50 compensation for this. It also agreed to waive the failed payment fee.

Mr B complained to BISL. He was unhappy the policy was set up with a payment date of the 20th of each month as he wouldn't have done this. He was unhappy with the late payment fee and not being able to change the payment date. Following this, Mr B contacted BISL in December 2024 to make a manual payment and he was unhappy with the service he received from BISL.

BISL issued a complaint response in December 2024. It said its agents tried to explain things to Mr B, but were unable to do so at times due to Mr B's frustration. It accepted there was poor service when Mr B was transferred to another department without being made aware and one agent was reluctant to give Mr B their manager's name – it apologised for this. It paid Mr B a further £30 compensation.

There was a further failed payment in December 2024, and a late payment fee was applied. BISL accepted this fee shouldn't have applied. It waived the fee and paid Mr B a further £30 compensation. This took the total compensation paid to £110.

Mr B referred his complaint to the Financial Ombudsman Service. He said BISL set the wrong payment date at inception and refused to change the payment date when he asked. He said BISL also refused to take his payment manually. He wanted fair compensation and for BISL to change the payment date. In April 2025, he said he experienced further issues when BISL refused again to take his payment manually.

The Investigator didn't uphold the complaint. They said Mr B was informed about the payment date in the documents he received following the purchase. They acknowledged the system limitations prevented BISL from changing the payment date, but said this meant Mr B was treated unfairly, including the application of the further late payment fee. But they said BISL did keep Mr B updated and informed, and its agents acted fairly and reasonably during their calls with Mr B. They didn't agree BISL did anything wrong in relation to the payment issues Mr B reported in April 2025. They said the £110 compensation BISL had already paid Mr B was fair, so they didn't recommend BISL do anything else.

Mr B didn't agree. He said there was no evidence he selected the 20th as the monthly

payment date, and he didn't think a fair investigation was carried out.

Because the complaint couldn't be resolved, it's 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.

I should first set out that the Financial Ombudsman Service is a dispute resolution service, not the regulator of the insurance industry. So it's not our role to fine and punish a business. Our role is to look at whether a business has acted fairly in the circumstances of the complaint and decide what it needs to do where it hasn't.

I also acknowledge I've summarised Mr B's complaint in a lot less detail than he has presented it. Mr B has raised a number of reasons about why he's unhappy with BISL. I've not commented on each and every point Mr B's raised but, instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy by this, but it simply reflects the informal nature of this service. I assure Mr B, however, that I have read and considered everything he's provided.

Original payment date

Mr B is unhappy the policy was set up with a monthly repayment date of the 20th of each month.

I accept there's no evidence to show Mr B selected the 20th of each month as the payment date. But equally, there's no evidence to show Mr B selected an alternative date and that this was overlooked. BISL also made the information about the payment dates clear in the documents Mr B received following his purchase of the policy, along with instructions on how to change it. But despite this, I can't see that Mr B raised any concerns about the payment date until December 2024, after there had been failed payments. So, on balance, I don't consider BISL did anything wrong in relation to the original payment date.

BISL said when Mr B purchased the policy, the system would've requested an immediate first payment, which would take a few days, and the system selected the payment date on this basis. Mr B took out the policy on 17 September 2024, and the payment date was set for the 20th of each month, so overall, I consider BISL's explanation to be persuasive in the circumstances, and I don't think this was unfair.

Changing payment date after failed payments

Mr B contacted BISL in December 2024 to ask that his payment date was moved to the 1st of each month. This was after there had been failed payments in October and November 2024.

BISL said because of the prior payment issues, the payment flexibility was restricted by the credit provider, so it was only able to change the payment date for May 2025 onward.

While I'm satisfied BISL was unable to change the payment date for the reasons it provided, I think this led to an unfair impact on Mr B. I think it was reasonable for Mr B to expect BISL would be able to amend the payment date in his circumstances, and I think BISL being unable to do so caused him distress and inconvenience.

Unable to take payments

BISL was unable to take Mr B's payment manually in December 2024, as the direct debit payment hadn't yet returned unpaid, so it wasn't recognised as a missed payment at that point.

BISL did explain to Mr B about the payment issues, and it did explain when it could try to take the payment manually. I can see its agent did offer days and times for this purpose and I consider Mr B initially didn't co-operate, and later said he wasn't available on the proposed day. Following this, BISL did attempt to contact Mr B to capture the payment but was unsuccessful. And when Mr B did call back, BISL offered to take payment, which Mr B initially refused, as he wanted the complaint resolved before payment. Later, when BISL offered the service it uses to allow payment, Mr B also refused.

Payment was eventually completed in December 2024. I accept BISL was unable to take payment from Mr B until the direct debit payment had returned unpaid, and I think BISL acted fairly in trying to work with Mr B, to arrange the manual payment, when this was possible.

There were further payment issues later on, and in April 2025, BISL explained again to Mr B that the payment at that time was still classed as pending, so it wouldn't be able to take payment from Mr B manually on the day. Again, BISL did offer to contact Mr B once the payment returned as unpaid, and it took steps to ensure Mr B's policy wouldn't be cancelled.

At this point, I think Mr B was aware that payments would be due and requested on or around the 20th of each month, and that manual payment wouldn't be possible while a payment was pending after it was due. And in offering to contact Mr B and ensuring the policy wouldn't be cancelled, I think BISL acted fairly in the circumstances.

Poor service and calls

I've listened to the calls we've been provided that took place between Mr B and BISL's agents.

Having done so, I think on the whole, BISL's agents did do their best to help Mr B, and provide the relevant information, despite Mr B's frustrations. And I think some of the language Mr B used during the calls could fairly be considered unreasonable, so I think BISL acted fairly in ending some of the calls for this reason.

But I do agree it was poor service that Mr B was transferred to another department without being made aware, and I don't think one of the agents acted fairly in their reluctance to provide their manager's details. There were also occasions during some calls where Mr B was put on hold without warning. I think all this would've caused Mr B avoidable distress and inconvenience.

Fair compensation

I've outlined above what I think BISL did wrong, and what I consider it was responsible for. And I think overall, its actions would've caused Mr B some avoidable distress, inconvenience and disappointment.

BISL has already paid Mr B £110 in total, in recognition of its failings, which I think is fair in the circumstances. And because I think BISL acted fairly in also waiving the failed payment fees it waived; I think it acted fairly overall. So, I won't direct it to do anything else.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 June 2025.

Monjur Alam
Ombudsman