

The complaint

Mr A is unhappy with Aviva Insurance Limited's (Aviva) administration of his motor insurance policy, which he said led to the policy wrongly being cancelled.

What happened

In August 2024 Mr A changed the car insured by Aviva and was assured everything was updated, and the change had been processed properly. However, in December 2024 Mr A was stopped by the police. Mr A says it was this point he realised he hadn't received any paperwork from Aviva confirming the change of car on his policy. Mr A's car was seized by the police because he didn't have valid insurance in place.

Mr A contacted Aviva and was told the policy had been cancelled because Aviva hadn't been able to collect the monthly premium of £200. Mr A believed this was incorrect, because he'd been expecting the premium to be less than this, albeit more than the £125 he had previously been paying before he changed the car. Mr A complained and Aviva said it would waive the £200 it said was owed. Aviva said it had written to Mr A on 5 September 2024 to tell him the direct debit instruction had been cancelled and asked him to contact it. Aviva said it sent five further letters without receiving a response from Mr A. Aviva said it didn't agree it had acted incorrectly, but was sorry to see the situation Mr A was in.

Unhappy with Aviva's response, Mr A referred his complaint to the Financial Ombudsman Service. His concerns were considered by one of our investigators who said whilst there had been confusion around the updated monthly payment, Aviva hadn't asked Mr A to cancel his direct debit. Our investigator said Aviva hadn't acted incorrectly and the offer to waive the outstanding £200 owed was fair in the circumstances.

Mr A didn't agree. He said he didn't receive any of the letters, text messages, or emails Aviva said it sent. He asked for an Ombudsman to review the case, so this matter 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've reached the same conclusion as our investigator did and for the same reasons.

I've listened to the call where Mr A said he was changing his car. Aviva said the make and year were the same, but the model was different, and this was why there was going to be an additional cost of £121.49 spread across the remaining (my emphasis) instalments. In the paperwork sent to Mr A by Aviva on 23 August 2024, it's clearly set out the monthly payments would increase to £157.41 from 1 October 2024 until the policy end date of 31 January 2025. During the telephone call, the adviser also asked Mr A if he would like to receive the policy documents by post or online. Mr A said both and the adviser said the policy documents would be available online in a few minutes and sent by post within 10

working days. I'm satisfied Mr A ought reasonably to have been aware he was due to receive some paperwork from Aviva in the near future.

During the call there wasn't any discussion about the direct debit being cancelled. This call ended with Aviva being clear about the remaining policy term, and when the payments would change. I'm satisfied the paperwork clearly sets out that a change had been made to Mr A's policy and this was also set out by the adviser during their conversation – not that a new policy was taken out as Mr A said he thought had happened. I'm persuaded Mr A's decision to cancel the direct debit was his alone, and not because of any instruction by Aviva.

The cancelled direct debit meant the payment due at the beginning of September couldn't be collected. Aviva sent letters to Mr A on 5 and 16 September 2024, to say the monthly premium was due. These letters set out the direct debit had been cancelled and if payment wasn't made by 2 October 2024 the policy would be cancelled. As no payment was made, Aviva cancelled the policy on 4 October 2024. On 6 October Aviva wrote to Mr A asking him to pay £200.42, which was the outstanding balance on the account for the time he'd been on cover. Mr A says he didn't receive any of these letters, so wasn't aware the policy had been cancelled.

I've considered the letters sent by Aviva. They're all addressed clearly to Mr A (including his first and last name) and to the same address provided when he took out the policy. Aviva has also provided evidence to show the letters were generated and sent to Mr A. So, on balance, I'm satisfied these letters were sent to Mr A by post. However, I don't think Aviva can be held responsible for Mr A saying he didn't receive them. Aviva was required to send the correspondence, and I'm satisfied it did this.

Aviva said it was unable to contact Mr A by phone. This was because when the policy was taken out online, the mobile number provided incorrectly included an extra digit, so couldn't be used. However, Aviva confirmed if it had access to a working number, text messages would have been sent too. I can't hold Aviva responsible for not sending messages to a number that didn't work, but I think it could have tried to get a correct contact number from Mr A by email when it became clear the failed payments would result in the policy being cancelled.

Aviva said when taking the policy out online, Mr A indicated his preference was for documents being provided online. However, the correspondence sent to Mr A after 23 August 2024 was only sent by post, bar two documents, which were the confirmation the policy had been changed mid-term and then later cancelled. These were also available online.

Aviva are looking to rely on the following term of the policy:

"Where we cancel, we will always give at least seven days' notice, by post or email, to the last address the principal policyholder has given us and explain why."

So, Aviva has adhered to the policy terms and says its process is to send cancellation letters by post. I can't see Aviva took steps to try and clarify the correct contact number with Mr A when trying to contact him about the failed direct debit. As I've said, given the potential consequences of a cancelled motor insurance policy, I think it's reasonable to say in the circumstances of this case Aviva could have also tried to contact Mr A by email, despite what it told us was its process to send correspondence like this by post.

However, Aviva sent Mr A three separate letters before eventually deciding to cancel the policy. These were the policy amendment documents dated 23 August 2024 which set out the increased payment from 1 October 2024. Then the letters of 5 and 16 September 2024

which said the direct debit had been cancelled and payment needed to be made. Aviva also sent two letters to confirm the policy had been cancelled, one of which was also available online.

We asked Mr A if he received any of these letters. He says he didn't receive any. However, having seen the internal records from Aviva, I'm persuaded all these letters were sent to Mr A, and to the same address that Mr A's original policy documents were sent to when the policy began in February 2024. I think it would be quite unusual for none of the letters to have reached Mr A.

As I've said, I've made the finding Aviva adhered to its policy terms by sending cancellation correspondence to the last known address of Mr A, explaining what would happen if no payment was received. I'm satisfied these letters were correctly addressed to Mr A, and their contents were clear. However, Aviva could have contacted Mr A by email about the failed direct debit, given it was unable to use his mobile number to send a text message.

But I'm satisfied Aviva didn't give a direction or recommendation to cancel the direct debit – this appears to have been a decision taken by Mr A and taken independently of Aviva. Key for me in setting this out is that the direct debit was cancelled on 3 September 2024 – some time after the conversation where the change of car was instructed.

Mr A says he was entering into a new contract when he changed his car so new payments would have needed to be set up, but I'm satisfied the adviser clearly said the policy would continue until February 2025. And the policy documents setting out the adjustment (which were available to Mr A via the online portal as well as being sent to him by post) also made this clear. Mr A had also been told that paperwork setting out the change would be made available to him by post and online, so I think Mr A reasonably could have contacted Aviva when this wasn't received – or logged into his online account (something Mr A had done before). Had he done so, he may not have cancelled the direct debit. But, as I've said, I'm satisfied Mr A took this decision independently, and not following an instruction from Aviva.

I appreciate this matter has been impactful on Mr A. And I haven't come to this decision lightly. However, in considering all the circumstances, I'm satisfied Aviva's offer to waive the outstanding £200.42 owed by Mr A for the remaining time on cover is a fair and reasonable conclusion to his complaint. I'm not going to require Aviva to take any further steps to put things right.

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 A to accept or reject my decision before 2 October 2025.

Emma Hawkins

Ombudsman