DRN-5634689

The complaint

Mr C complains that Somerset Bridge Insurance Services Limited mis-advised him about his motor insurance policy premium. He wants the outstanding balance waived and compensation for his trouble and upset.

What happened

Mr C agreed to pay for his policy premium in monthly instalments. Mr C changed his car and so he changed the car on cover on his policy through his online account. He then called Somerset Bridge to confirm the change. Mr C said he paid the additional premium required and he thought he was told that no further payments would be needed for his policy.

But Somerset Bridge said Mr C was still required to pay his monthly direct debits until the end of the policy year. It notified Mr C of missed payments, and he then cancelled his policy as he didn't want to make these. Somerset Bridge waived its cancellation charge, but it still required Mr C to pay the balance outstanding on his account.

Our Investigator didn't recommend that the complaint should be upheld. She thought Mr C was required to pay his monthly direct debits in keeping with Somerset Bridge's Terms of Business. She thought Mr C was required to pay an additional premium for his new car, which he had done. But she thought Somerset Bridge had told Mr C that he would still need to pay his remaining direct debits.

Mr C replied that he thought Somerset Bridge hadn't made it sufficiently clear that his monthly payments would remain unchanged. As Mr C didn't agree, his complaint has come to me for a final 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 can understand that Mr C felt frustrated when Somerset Bridge asked him to pay an outstanding balance for his cancelled policy. He's explained that he thought his change of car would lead to a lower premium. But, as the premium is set by the policy's underwriter, a different business to Somerset Bridge, I can't consider that here. If Mr C thinks his premium was too high he should complain to the underwriter.

What I can consider is whether Somerset Bridge acted in line with its Terms of Business and fairly and reasonably after Mr C made the change of car on his policy.

When Mr C made the change of car on his policy, he thought he needed to make only a one off payment, and no further direct debits would be needed. I've seen the letter Somerset Bridge sent Mr C to confirm the change and it notes that a payment is required for an "additional premium". It doesn't state that the outstanding balance had been paid in full.

And I've listened to the call Mr C made to Somerset Bridge to confirm that his cover was in place for his new car. Mr C paid the additional premium required. And Somerset Bridge told him:

“When it comes to monthly payments, the amount will be the same amount and won’t change.
The change is already done. You have your new car insured. Your direct debit will remain the same”.

So I think the agent clearly explained that there was an additional charge was for the change of car on the policy. And I don’t agree that Somerset Bridge didn’t explain clearly that Mr C would need to continue to make his monthly payments. Mr C thought he should have received an updated payment schedule. But I don’t think this was necessary as his monthly payments hadn’t been changed.

The finance provider then informed Somerset Bridge that payments had been missed, and so Somerset Bridge contacted Mr C about this. Mr C called Somerset Bridge, and it explained why he needed to maintain his monthly payments. So I think Somerset Bridge again gave Mr C clear information about the payment he had made for the mid-term adjustment and the need to keep up his monthly payments.

Mr C decided that this was too expensive, and he cancelled the policy. Somerset Bridge explained that there remained an outstanding balance owing for Mr C’s time on cover. But it waived the cancellation fee as a gesture of goodwill. I think that was fair and reasonable in the circumstances as Somerset Bridge was entitled by its Terms of Business to charge the cancellation fee. And I’ve looked at the breakdown of the charges and I agree that they were correctly calculated in keeping with Somerset Bridge’s Terms or Business.

I can understand that Mr C feels unfairly treated as he didn’t get the reduction in premium he expected for his new car. And I can understand that he feels harassed by debt collections. Mr C thought we should listen to his calls from when he first took out his cover. But I don’t think that’s necessary as I’m satisfied they aren’t relevant to Mr C’s complaint about matters arising seven months into his policy year.

And so I think Somerset Bridge acted fairly and reasonably when it communicated with Mr C about the additional premium he needed to pay and the need to maintain his monthly payments. And I think it acted in keeping with its Terms of Business when it required him to pay the outstanding balance for his premium after he cancelled his policy.

My final decision

For the reasons given above, 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 C to accept or reject my decision before 19 August 2025.

Phillip Berechree
Ombudsman