

The complaint

Mr H complains about the cancellation of his motor insurance policy by esure Insurance Limited (esure) due to non-payment of premiums. He said the policy was cancelled without esure contacting him in advance. Mr C was subsequently stopped by the police for driving without insurance.

Any reference to esure in this decision includes their agents.

What happened

Mr H took out a motor insurance policy with esure in December 2024, at a total cost (including a charge for credit, as Mr H elected to pay monthly for the policy through direct debit) of £786.07 for the year. Following an earlier issue with a bank error leading to a missed payment, Mr H agreed with esure that monthly direct debits (of £66.76) would be collected on or around the 5th of each month, from March 2025.

However, esure subsequently cancelled the policy, saying they'd failed to collect a monthly direct debit (of £66.76) from Mr H's account at the beginning of May 2025. esure said they'd sent emails in May 2025 to the email address provided by Mr H when he took out the policy advising him of the non-collection of the premium and subsequently that his policy would be cancelled if payment wasn't received by the end of May. Payment wasn't received, so esure cancelled the policy.

Mr H was subsequently stopped by the police for driving without insurance and his vehicle was impounded. He incurred fees for the impoundment and obtaining insurance to release the vehicle.

Having cancelled the policy, esure wrote to Mr H to say there was an outstanding balance of £101.16 due under the policy, requesting payment by mid-June 2025. Payment wasn't received, so esure passed the balance onto a debt collection agency.

Mr H raised his concerns about what had happened with esure, saying he hadn't received any emails about non-payment of premium or that his policy was going to be cancelled. He said a phone call or physical letter would have been a more appropriate means of communication for such a serious matter. esure asked Mr H for a copy of a bank statement to confirm the payment had been made from Mr H's account and offered to waive the cancellation fee and offered compensation of £60 but Mr H rejected this. So, he complained.

In their final response, issued in October June 2025, esure didn't uphold the complaint, saying they had followed the correct process. They'd applied for the monthly premium payment on 30 April 2025, to be collected at the beginning of May, but the payment wasn't successful. They sent a default letter on 7 May advising Mr H of the missed payment and a further communication letting him know the policy had an outstanding balance that needed to be paid before 27 May to avoid the policy being cancelled. Mr H didn't contact them to make the payment, and the policy was cancelled on 27 May. Following the cancellation, there was an outstanding balance of £101.16 which had subsequently been referred to a debt recovery agency. esure added that Mr H had been asked to choose from two methods

of communication (physical letters or emails) and Mr H had elected for email, which is why esure had been communication through that route.

Mr H then complained to this Service (July 2025). He maintained esure cancelled his policy without contacting him in advance and his bank had told him the direct debit had been collected. He'd provided several contact routes when he took out the policy, selecting email as his preferred method of contact (not the only method). He'd received no emails (which had been witnessed by the police). The policy being cancelled without his knowledge led to his being stopped by the police for driving without insurance. esure had admitted fault for technical issues meaning e mails telling him about the cancellation or the direct debit not being collected. Being stopped by the police meant he'd incurred costs of £364 for emergency compound insurance, a £218 collection fee and the possibility of penalty points on his licence and fines, depending on what action the police took.

Mr H also provided a screenshot from his bank account showing transactions with esure, including direct debit payments (of £66.76) on 7 April and 6 May 2025, a card payment of £72.42 on 6 March, a card credit of £55.37 on 24 March and a credit of £1.38 on 23 May.

Mr H subsequently provided a copy of a fixed penalty notice issued by the policy later in July 2025, giving him the option of a fixed penalty of payment of £300 and six penalty points on his licence, or appearing before a Magistrates Court.

Our investigator didn't uphold the complaint, concluding esure didn't need to take any action. Esure had provided screen shot evidence of sending missed payment and cancellation notices to Mr H by both email and post (the former being the preferred method of contact). The address on the notices was that on Mr H's insurance documents and the email address that also used in bringing his complaint to this Service. So, esure had used two forms of communication when issuing the notices and informed him of the failure to collect direct debit payment of a monthly premium. The investigator thought esure's proposed waiving of the policy cancellation fee and £60 compensation was fair.

Mr H disagreed with the investigator's view and requested that an ombudsman review the complaint. He said no communications had been received at his home address and bodycam footage from the police officers who stopped him showed he'd not received any emails (including in his spam and junk email folders) and esure had admitted to him in a phone call they'd had issues with their email system. esure hadn't made any attempt to call him. His screenshot bank account transactions showed he'd paid the monthly premiums. He also maintained he had a call with esure in which they admitted technical issues with email.

Our investigator asked esure for any call recordings, but the only one they said they held was one where an agent left a voicemail, which didn't include any reference to, or admission of, technical issues with their email system. So, the investigator maintained their initial view of the complaint.

Mr H maintained his disagreement and so the complaint has been passed to me to consider.

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.

My role here is to decide whether esure have acted fairly towards Mr H. It isn't to conclude on the actions of the police in this case, including their impounding his vehicle and the associated release fees as well as the subsequent fixed penalty notice, which don't fall

within the remit of this Service. If Mr H has concerns over the actions of the police, he should raise them with the appropriate authorities (and/or challenge the fixed penalty notice).

The key issue in Mr H's complaint is esure cancelling the policy based on non-payment of a policy premium (by monthly direct debit). Mr H says He didn't receive any notification of the non-payment or subsequent notice of cancellation by email, or by post (esure maintain their records show they issued communications through email and post). Mr H also says screenshot evidence from his bank account of transactions with esure show the direct debits were paid on the dates due. Mr H says the cancellation without his knowledge led to his being stopped by the police and subsequently issued with a fixed penalty notice of a fine and penalty points. This is an addition to the costs he incurred in obtaining compound insurance and a release fee to secure the return of his vehicle following it being impounded.

There are two key issues in the complaint. First, the disagreement between Mr H and esure over what communications were issued by esure (and through which means) and which were received by Mr H. Mr H says he didn't receive either the communications from esure through email or by post, which esure maintain they sent through both.

In responding to Mr H's complaint, esure provided this Service with evidence from their systems of both the text of the communications and their transmission (by email and post). The communications I have seen from esure are as follows:

- 5 March 2025 Notice of default (non-payment of £66.75 monthly premium).
- 7 May 2025 Notice of default (non-payment of £66.75 monthly premium)
- 17 May 2025 10-day Notice of Policy Cancellation (to 27 May 2025)
- 28 May 2025 Confirmation of Policy Cancellation (from 27 May 2025)
- 29 May 2025 Notification of outstanding balance following cancellation (£101.16)
- 8 June 2025 Follow-up letter on outstanding balance.

The nature and dates of these letters also fit with a non-payment of instalment at the beginning of March 2025 (which was followed by a manual payment of £72.42 which also appears on the bank account screenshot provided by Mr H). Both esure's records and Mr H's bank account screenshot records the monthly payment due in April 2025 being paid.

When it comes to what happened in May 2025, esure's record of payments indicate the payment due at the beginning of the month was issued (esure requesting the direct debit be collected) but then declined. There is no subsequent record of it being paid (or a manual payment being received).

This isn't consistent with the bank account screenshot from Mr H, which simply records a direct debit payment to esure on 6 May. I will consider this inconsistency later, together with what I think it most likely means for the complaint).

Coming back to the Mat 2025 events, the above schedule of communications from esure follows what I think would be a standard approach where a monthly payment is missed, with notice of the non-payment, then notice of cancellation, then confirmation of the cancellation at the expiry of the notice period (and then notification and follow-up to the account balance due on cancellation).

The key to this aspect of the complaint is whether the communications, particularly those in May 2025, were issued by esure, which they say they were, by email and post. I've seen system records which indicate both forms of communication were used, which is what I would expect an insurer to do where, as with a policy cancellation, the potential impact of the communication is significant for the policyholder. The email address matches that held by

esure (and used to issue their final response) and that provided by Mr H when making his complaint to this Service. Which indicates esure used the correct email address.

However, the postal address used by esure, in the communications listed above and in the policy documents issued when the policy was taken out, doesn't match that used by Mr H in the complaint form he submitted to this Service. The implication is that Mr H changed his address during the period between taking out his policy and its subsequent cancellation and then bringing his complaint to this Service. This might explain why, as he maintains, why he didn't receive the letters. Assuming Mr H provided the correct address when he took out the policy (and he would have been obliged to correct it had it been incorrect on the policy documents) then he would have had to notify esure of any subsequent change to his address. I've not seen anything to indicate esure were informed of a change of address, so they would have continued to use it unless or until advised otherwise.

Even allowing for this, esure's records indicate the communications were issued to the [correct] email address without any issues. Mr H maintains he was told by an esure agent there were technical issues, but the one recording esure have provided doesn't show this, nor why any such technical issues affected an extended period during May. Mr H also says he showed the police officers evidence he didn't receive esure's emails, but that evidence isn't something available to this Service and nor has Mr H provided any other evidence of non-receipt, notwithstanding the inherent issue of trying to prove a negative).

On balance, therefore, I'm more persuaded by esure's evidence and that they communicated with Mr H through two forms of communication when notifying Mr H of the non-payment of the May monthly payment and subsequent notice of cancellation and then confirmation of cancellation. So, I can't conclude they acted unfairly or unreasonably.

The other aspect to the complaint is the evidence of the payments made by Mr H under the policy, in particular the non-payment of the payment due in May 2025, which subsequently led to the cancellation of the policy as set out above.

Here, the evidence is contradictory. Mr H's bank account screenshot shows a direct debit transaction in favour of esure on 6 May. However, esure's records show the payment was applied for on 30 April but was declined (a credit of the amount was applied back to Mr H's account on 7 May, which is consistent with the non-payment communication issued on 7 May. In seeking to reconcile the two contradictory views from the evidence provided, what would be conclusive evidence would be a formal, headed bank statement of transactions on Mr H's account for the period (as opposed to a screenshot). But I've not seen any such formal bank statement from Mr H. From other, similar cases I've seen, it may be the screenshot from Mr H is direct debits applied for – but not necessarily paid (as esure's evidence indicates what happened from their perspective).

If Mr H could provide a formal bank statement (as opposed to screenshot) then I would expect him to have made that available to esure (and this Service) to provide objective evidence of transactions on his account and whether the May payment was made (as opposed to applied for, and declined, as esure's records show). That would also enable esure to review their actions in the case, but that would be a new complaint for them (and potentially this Service) to consider.

But on the balance of evidence I've seen in this case, I can't reasonably conclude esure have acted unfairly or unreasonably in the specific circumstances of the case. So, I won't be asking esure to take any further action.

My final decision

For the reasons set out above, my final decision is that I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 January 2026.

Paul King
Ombudsman