

The complaint

Mr H complains about a lack of information from his insurance intermediary Complete Cover Group Ltd (CCG) when he told them he was cancelling his motor insurance policy. He's also concerned a third party contacts him at inconvenient times and that CCG only operate over the internet and don't provide a phone contact. He also feels wording in the policy is vague.

Any reference to CCG in this decision includes their agents.

This decision covers Mr H's complaint about CCG as the intermediary for his motor insurance policy, responsible for arranging and managing insurance policies. The policy was underwritten by a separate insurer (M).

Mr H's complaint to this Service also includes his unhappiness at how CCG responded to his Data Subject Access Request (DSAR). However, concerns over how firms respond to DSAR aren't something within the remit of this Service, they fall within the remit of the Information Commissioner's Office (ICO), to whom Mr H would need to direct his concerns.

What happened

Mr H took out a motor insurance policy through CCG in November 2024, at a total cost of £1,778.75 (a set-up fee of £50, cover at £1,547.87 and cost of credit at £180.88). The policy documents were emailed to Mr H at the address he provided when taking out the policy. He also had to complete a 'check box' before he was able to purchase the policy, confirming he'd entered all information accurately and he had read the policy handbook and Insurance Product Information Document (IPID).

Later in November 2024, a claim was recorded on the policy, following an incident in which Mr H was in collision with another vehicle. Mr H considered the incident to be minor, so decided not to make a claim. However, the third party did lodge a claim.

Mr H says he was unaware of the third-party claim. Mr H then contacted CCG in April 2025, via web chat, to say he wanted to cancel the policy. He said his vehicle needed a new Electronic Control Unit (ECU) but it would cost more to repair (or replace) than the value of his vehicle. So, he intended to get rid of the vehicle and not drive for a while. The agent on the web chat referred to a £75 cancellation charge that would apply to the cancellation and that the £50 set up fee Mr H paid for the policy would be non-refundable.

However, the agent didn't explain that the full premium would be due because of the claim and that there was a balance due on cancellation of the policy. CCG emailed Mr H just over a week later to tell him there was an outstanding balance on the policy of £818.33. The balance comprised the cancellation fee and the unpaid balance of the policy premium.

Mr H was unhappy at learning of the balance on cancellation, saying he hadn't been given this information the web chat when he agreed to cancel his policy. Had he been, he might have made a different decision (and kept the policy). So, he complained to CCG.

In their final response, issued in May 2025, CCG upheld the complaint. They set out the sequence of events and noted the claim lodged against the policy meant, under the terms of the policy, that the full premium was due, along with the cancellation fee. But they accepted, having reviewed the web chat between Mr H and the agent, that they hadn't explained the cancellation process as clearly as they should have done. Including that the full premium was due where there was a claim against the policy. The agent should also have explained his available options, including changing the insured vehicle (which may have helped avoid the cancellation altogether). CCG accepted their customer service had fallen short of the standard they aimed to provide. In recognition, they awarded £50 compensation.

Mr H then complained to this Service. He didn't think the incident that led to the third-party claim was enough to be deemed an accident (under the policy terms) and the policy was vague on the issue. Nor had he been provided with any information on the claim, including at the point he cancelled his policy. Operating online only, without a phone contact meant, in his view, CCG wasn't fit for purpose in the insurance industry. He'd asked for his policy to be reinstated, but CCG hadn't been flexible in this respect. He wanted CCG to operate a phone service for customers. He also thought his payment (balance due on cancellation) should be voided due to the lack of information provided by CCG about the cancellation, which affected his decision-making.

Our investigator didn't uphold the complaint. He concluded it was reasonable for CCG to charge the full premium when Mr H cancelled his policy, as he had received the benefits from having the policy. And it was normal practice for insurers to charge the full policy premium where a policyholder cancelled a policy, but a claim had been made in the period of insurance. The policy handbook, which Mr H confirmed he had read when he took out the policy, made this clear. CCG were also entitled to instruct debt collection agencies to recover the outstanding premium due at the date of cancellation. It was also a matter for an insurer if it chose to operate online only and this Service didn't have the power to require an insurer to change their policies or procedures.

Mr H disagreed with the investigator's view and requested that an ombudsman review the complaint. He said he wasn't aware (he hadn't been told) there was a claim made by a third party under the policy. He was only aware of an amount CCG said he owed because he was contacted about it after cancellation of his policy by a firm requesting payment.

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 CCG have acted fairly towards Mr H.

The key issue in Mr H's complaint is what he says is a lack of information from CCG following the cancellation of his policy. He maintains he wasn't aware of a third-party claim against his policy.

A key issue in the complaint is the third-party claim CCG say was made under Mr H's policy, a claim he says he was unaware of. Mr H also said he didn't believe the incident in which he was involved constituted an accident, as he considered it minor. However, the policy requires all incidents, accidents or claims to be notified. The relevant wording, under a heading 3. *If you have an accident or make a claim* states the following (my emphasis in **bold**):

*“a) If you are involved in **any incident**, accident or make any claim under this policy, you must report it to us as soon as possible by using the Claims Helpline [number]...”*

Again, this is a common requirement in motor insurance policies, as there may be occasions in which a policyholder doesn't want to make a claim or considers the incident to be minor. But that doesn't preclude – as happened in this case – a third party making a claim for the incident against the policy held by the policyholder.

As part of the investigation of Mr H's complaint, our investigator asked CCG for details about the claim. They contacted M as the insurer of the policy (responsible for assessing and dealing with claims, including those from third parties) and were told it related to the minor incident which Mr H didn't report. The claims team of M say the third-party claim Mr H switched lanes and caused a collision. M deemed it a fault claim and paid costs claimed by the third party, with further costs provided for.

At this point, I should note that as the assessment and handling of the claim, including the decision to deem it a fault claim and pay costs claimed by the third party, was a decision of M as the insurer of the policy, M would have the absolute discretion to deal with claims made under the policy (including from third parties) and settle them as they see fit. Again, this is common in most, if not all, motor insurance policies. It doesn't require them to seek Mr H's agreement, or to disclose details, unless they require information to deal with and assess the claim (for example, any evidence or information he might have that informs the insurer's assessment or defence of the claim).

If Mr H is unhappy at the decision to deem the claim to be a fault claim against him, he would need to raise this with M.

Coming back to the issues I can consider in Mr H's complaint, then as the claim was deemed a fault claim, the terms of Mr H's policy mean (as is common in most motor insurance policies) the full premium for the policy is payable. That's because M has met their obligations under the policy, as a contract of insurance, to indemnify Mr H against loss (including third party claims) in return for the premium payable under the policy (Mr H's obligation under the contract of insurance).

In their final response, CCG refer to the provisions of the policy handbook (which Mr H confirmed he had read when he took out the policy) relating to cancellation of the policy. Under a heading *Cancelling your policy* there's a sub-heading *1b. Accidents and claims?* which states:

"If you have had an accident, made a claim or likely to make a claim and pay:

- *Annually, you are not entitled to a refund of premium.*
- *By direct debit, the full balance of the annual premium will still need to be paid. Refer to your credit agreement."*

At this point, I've also considered the evidence and information available, including copies of the web chats Mr H had with CCG. What I can see is Mr H being told various things about what happens when a policy is cancelled, for example the policy set-up fee not being refundable and that there wouldn't be a refund of premium due to the [third-party] claim made against Mr H's policy. There's also reference to the insurer settling fault claims and that if the third-party [insurer] pays the costs, it will be a non-fault claim.

Another chat indicates Mr H wants to cancel his policy, saying he will be getting rid of his vehicle and not driving for a while, as the Electronic Control Unit (ECU) had failed and the cost of repair would equal the value of the vehicle. Mr H confirms he wants to cancel the policy with immediate effect, to which the CCG agent refers to a £75 cancellation fee and the non-refundable set-up fee of £50. Both fees are referred to in CCG's Terms of Business

document, which Mr H would have received as part of his policy documentation when he took out the policy.

However, as CCG acknowledge, the web chat agent didn't refer to the balance that would be due on cancellation of the policy, only the cancellation and set up fees. They accept they didn't explain the cancellation process as clearly as they should have done. Including the full premium being due where there was a claim against the policy. The agent should also have explained his available options, including changing the insured vehicle (which may have helped avoid the cancellation altogether).

Having considered the evidence, I agree Mr H wasn't provided with the full information about cancellation and the consequent balance that would be due. So, I've concluded CCG didn't act fairly and reasonably in this respect. CCG accept their customer service fell short of the standard they aimed to provide. In recognition, they initially awarded £50 compensation in their final response, which they've subsequently increased by £250 to make a total of £300 when responding to our investigation of Mr H's complaint. I'll consider this after I've reviewed the other aspects of Mr H's complaint.

A further element of Mr H's complaint is that CCG only operate online and don't offer a phone contact route. He feels this isn't appropriate, particularly where significant matters such as cancellations are involved.

As a Service that provides an informal dispute resolution service for consumers, it isn't our role to tell a business how it should operate. Nor are we a regulator (that's the role of the Financial Conduct Authority).

Having said this, CCG make it clear that they are set up and operate predominantly as an online business. I've noted the CCG Terms of Business (which Mr H will have received as one of the documents when he took out the policy) includes the following statement:

"Who are our products and services suitable for?"

Our products are for customers who want to manage their motor insurance online via a website or mobile app. Telephone support is only available when you're making and managing a claim."

I think this makes it clear how CCG operate, that it is predominantly online, though with phone support in very specific circumstances. Mr H should reasonably have been aware of this operating model when he took out the policy. If he wasn't happy with it, then he could have taken out a policy that operated through a wider range of media.

So, I've concluded it isn't unreasonable for CCG to operate in the way they do. Consumers should reasonably be aware of this when taking out a policy through them and be able to make an informed decision on whether it meets their needs.

Having reached these conclusions, I've considered what CCG should do to put things right.

I've noted CCG awarded Mr H £50 compensation in their final response. After Mr H brought his complaint to this Service, CCG increased their offer of compensation by a further £250, making a total of £300 (although Mr H has rejected the revised offer). This was an acknowledgement that while the policy documentation confirmed the details of cancellation where a claim had been made and any cancellation fees, their agent didn't provide a full explanation of the outstanding balance on cancellation due to the claim having been made.

I've considered CCG's revised offer in the specific circumstances of this case as well as the published guidelines from this Service on awards for distress and inconvenience. While I don't think CCG acted unfairly in the way they calculated the balance on cancellation, Mr H wasn't made aware of this when he cancelled the policy. Had he been, he might have made a different decision. However, that is speculative and wouldn't have changed the reasons he gave for wanting to cancel his policy.

Mr H says he asked about reinstating his policy, but CCG say system limitations would have precluded this. And given the timing of this decision, I don't consider it would be a practical option at this point

Taking all these points together, I've concluded the revised offer of £300 compensation from CCG would be a fair and reasonable outcome to Mr H's complaint. So, they should now pay Mr H the revised compensation.

My final decision

For the reasons set out above, my final decision is that I uphold Mr H's complaint. I require Complete Cover Group Ltd to:

- Pay Mr H £300 compensation for distress and inconvenience.

Complete Cover Group Ltd must pay the compensation within 28 days of the date we tell them Mr H accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 December 2025.

Paul King
Ombudsman