

## **The complaint**

Mrs H and Mr H complain that One Call Insurance Services Limited (One Call) cancelled their motor insurance after Mrs H accidentally cancelled the direct debit. References to One Call include other people and organisations acting on its behalf.

## **What happened**

Mrs H and Mr H had motor insurance through One Call. Mrs H accidentally cancelled the direct debit, thinking it was for an old insurance policy.

Mr H says that they received a letter and a text message from One Call confirming the cancellation of the direct debit on the same day they were flying abroad for a three-week trip. Mr H says that, as instructed in the letter, he immediately logged into the online portal to update the payment information. However, he could not find any option to set up a new direct debit mandate. Instead, he found a payment section that let him pay the missed instalment and select “missed direct debit payment” from a dropdown menu. Mr H says that he assumed that this fulfilled the requirements in One Call’s letter as there was no other option or telephone number, and nothing specifically telling him he needed to go on the online chat. Mr H says he didn’t even know the direct debit was cancelled, as the letter only said there was a problem with the direct debit arrangement and to prevent cancellation, log onto the portal.

Mr H says they received confirmation of the payment via email and, having followed the instructions provided and made the payment believed the issue was resolved. Mr H says he did attempt to access the online chat at the time but was met with a long wait and no clear indication that doing so was mandatory to reinstate the direct debit. Mr H says neither the letter, the portal, nor the confirmation email stated that a direct debit mandate needed to be re-established via live chat.

Mr H says that while they were abroad they monitored emails and texts, but no further communication was received, and nothing to say that any further action was needed.

Mr H says that Mrs H noticed that a payment of £112 had been taken by One Call from their bank account. He logged into the portal and says he was shocked to find the policy had been cancelled several weeks earlier. Mr H says this was done without any notification.

The next day Mr H says he contacted One Call via live chat and was told that the policy had been cancelled due to a failure to set up a new direct debit and that he had been charged a cancellation fee. Mr H says the live chat lasted approximately 90 minutes which could have been done far quicker by phone, but he was told One Call operated online only and didn’t have a telephone number.

Mr H wasn’t happy about this and complained to One Call. One Call said:

*“...A policy with us cannot be purchased without agreeing to our terms of business see the below:*

*By clicking Proceed to payment, you agree to [our] Terms & Conditions...*

*During the online journey you are presented with a copy of our information booklet, in addition to the insurance providers policy wording, to review & verify any terms and conditions applicable with the insurance contract prior to purchasing the insurance.*

*Following the activation of insurance each term, full documentation is submitted to your customer portal for you to access and confirm the active cover. Included within the portal is the insurance certificate/schedule and statement of fact, in addition to [our] Information booklet and the policy wording and I.P.I.D. (Insurance Product Information Document) for the provider and any additional service included, for you to review and verify any terms and conditions applicable with the insurance contract.*

#### *Point 1 - Contact Methods*

*To complete purchase of an insurance policy online, the following page is visible and must be viewed to continue with the purchase:*

*[Here there is a screenshot of a web page headed "Managing your policy online...the policy is online only".]*

#### *...Point 2 — Policy Cancellation*

*We had later received notification of the direct debit instruction being cancelled effective from [date]. If a direct debit instruction is cancelled, we would require payment to be made for the policy in full or a direct debit to be set back up to avoid cancellation of the policy. As such, we had issued a letter dated [same date] to provide notice of the pending cancellation in addition to an email reminder on [next day] and SMS messages. Another SMS message had been issued [one week later] as a final reminder.*

*...While I appreciate you have made a manual payment on [date] in this case, we required an active agreement in place to clear future payments and as we did not know the reason for the direct debit cancellation, we would have required you to update the payment details via the customer portal for us to reinstate the direct debit.*

*The policy had been cancelled...leaving an outstanding balance of £122.03. We had issued a notice...to confirm the cancellation and confirm how the outstanding balance had been calculated.*

*I understand from your correspondence you have stated there was no option to reinstate your cancelled direct debit, however as shown below the portal does provide the option to update your payment details, even if the details were the same this would have prompted us to reinstate the direct debit. Additionally, the portal provides the option to contact our office by chat. I have included the below extract:*

*[Here there is a screenshot of a web page headed "Change account details" where account number, sort code and name can be entered.]*

*As we had issued notice confirming the cover was due for cancellation due to a cancelled direct debit the correct course of action would have been to contact our live chat service if you felt the options available were not sufficient. I have included the below evidence:*

*[Here there is a screenshot of a web page with the word "Contact" and a speech bubble logo in the bottom right corner.]*

*...Firstly, I would like to apologise for any stress or inconvenience caused, this was never our intention.*

*Whilst I sympathise with the concerns raised, I cannot conclude that contact had been made if you had felt that the options were not clear, although we have acknowledged your points, and your feedback will be taken on board.*

*Due to the inconvenience caused, we had agreed to refund the amount of £85.99 which includes our charges that had been applied following cancellation as a gesture of good will.*

*...Please note that the cancellation has not been recorded negatively on the insurance database...”.*

Mrs H and Mr H weren't happy with what One Call said and complained to this service. Our investigator didn't uphold their complaint. He said One Call had acted fairly and reasonably and in line with Mr H's policy terms and conditions in cancelling the policy as Mr H hadn't followed the instruction to update the payment method, and instead made a one-off payment. The investigator said the letter and text message Mr H received clearly outlined the need to update his details to avoid cancellation and the timeframe provided by One Call was sufficient for him to take the necessary action. The investigator attached a copy of the letter from One Call, which informed Mr H the policy was cancelled.

With regards to Mr H's complaint that there was no phone number to contact One Call, the investigator said One Call make their own commercial decisions on how they communicate with their customers, but he had found a contact number through a search engine which took him to One Call's website.

Finally the investigator said communication could have been clearer but he believed the refund of £85.99 was fair given the circumstances and in line with this service's guidelines for awarding compensation.

Mrs H and Mr H didn't agree with what the investigator said and so their complaint has been passed to me. Mrs H and Mr H want a full refund of the £112.00 (I think this actually is £112.03) One Call took from their bank and a refund of the £47.20 payment for the missed instalment. Mr H says this has caused stress, and he has had to spend time rectifying things, and pay a significant premium insurance with an alternative provider to begin the same day, although he hasn't provided details of this.

### **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 don't uphold Mrs H and Mr H's complaint. I'll explain why.

Mr H has provided this service with a copy of the letter from One Call which warned him that there was a problem with the Direct Debit. The letter said:

*“Unfortunately, we've been notified by your bank that there is a problem with the direct debit arrangement for your car insurance policy for Registration [registration number].*

*This could be due to one of the following reasons:*

- *Your direct debit arrangement has been cancelled*

- *Your account details are incorrect*
- *Your bank account has been closed*
- *There is no direct debit arrangement in place*
- *Your bank does not accept direct debits on your account.*

***What happens now?***

*To prevent cancellation of your policy, please log into your portal before [seven days] to update your direct debit details or amend your payment method:*

[portal web address]

*If we don't hear from you in the next 7 days, we'll assume you no longer require cover and your insurance policy will be cancelled on [seven days time] and will be subject to cancellation charges. These charges are outlined in our terms of business which can be found on our information booklet:*

[web link].

*We look forward to receiving your updated direct debit information and continuing to serve you as a valued customer."*

Two days later Mr H received a text message from One Call. It said:

*"IMPORTANT - Your policy is at risk of cancellation. Please speak to one of our live chat agents here..."*

and gave a link to the live chat.

I think this communication made it clear that there was a problem with the Direct Debit and the Direct Debit details needed to be updated or the payment method amended to prevent the policy being cancelled. The text message asked Mr H to speak to a live chat agent. Instead Mr H logged on to the portal and made a one-off payment to cover the payment which had been missed.

As Mrs H and Mr H didn't follow the instructions from One Call, and were warned about what would happen if they didn't, I think it was fair and reasonable for One Call to have cancelled the policy.

After the policy was cancelled, £112.03 remained outstanding. According to the letter from One Call, this was calculated as follows:

Cost for days insured £398.57

Plus cancellation Fee £55.99

Plus policy enhancements £59

Plus broker fees £15

Total cancellation cost £528.56

Total paid to date £416.53

Total amount owed (total cancellation cost minus total paid to date) £112.03 (it appears that this was incorrectly stated in correspondence from One Call as £122.03 but Mr H states that £112 was taken from his bank).

I think it was fair and reasonable for One Call to charge Mr H for the cover he had already benefited from before the policy was cancelled. This is also normal industry practice. The cancellation fee was set out in the policy documents as follows:

*“£55.99 Cancellation fee - Applicable after the 14 day cooling off period*

*...Outside of the cooling off period, this fee is applied alongside all other broker administration fees and all value added products charged in full...”.*

And:

*“Policy cancellation*

*...After the 14-day cooling off period has ended, you still have the right to cancel your policy. There is a set charge structure applied to the cancellation of any insurance policy arranged through [One Call], which takes into account our administration costs for arranging the policy and administrating the policy cancellation. All cancellations are calculated on the following basis:*

- Day 15 to the end of the policy - you will be charged for any time on cover as calculated by your insurance provider; this is normally pro rata and an insurance fee. We will include any administration fees and the full cost of any value added.*
- If a claim has been made you will be charged the full premium as well as any broker charges and the full cost of any value added products bought during the policy.*
- If in the event your cancellation return of premium is lower than our charges of cancellation, the full remaining insurance costs will be owed.*

*Where you have paid your premium in full, we will let you know the amount you are due back. If you are paying by Premium Finance, you will need to pay a balance of the cancellation charges as set out above, once we have calculated how much you have paid...All insurance providers have a right to charge for the time that you have had on cover. If your policy is cancelled and there is a balance to be paid to us, as per the continuous payment authority, we will use your card payment details to collect the amount; we will try to take the payment on the last working day of the month, or on your chosen date if one has been arranged...”.*

The policy documents also said:

*“Cancelling Your Premium Finance Payments*

*If you are paying by premium finance, cancelling your Direct Debit does not mean that you have cancelled the policy; it simply means that you have stopped paying for it by premium finance. In this case, cover will still be in force although a 7 day cancellation will be issued from the date we are notified. Premiums will still be charged until we receive your cancellation request or the 7 day cancellation has ended, whichever is sooner.”*

So I think it was fair and reasonable and in line with policy terms and conditions for One Call to charge Mrs H and Mr H a cancellation fee when the policy was cancelled.

One Call was clear during the policy application process that it was an online policy only, so I think it was fair and reasonable to ask Mrs H and Mr H to make contact by live chat rather than by phone.

Finally, One Call has accepted that there were some shortcomings in its dealings with Mrs H and Mr H, and has refunded £85.99. I think this was fair and reasonable and in line with what this service would require for the inconvenience they experienced.

### **My final decision**

For the reasons given above I don't uphold Mrs H and Mr H's complaint. So I won't be asking One Call Insurance Services Limited to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 19 February 2026.

Sarah Baalham  
**Ombudsman**