

The complaint

Mr R has complained about BISL Limited. It acts as an intermediary and provided branded motor insurance policies to Mr R in 2023 and 2024. He is unhappy about certain actions it took and interactions which occurred with it in 2024 regarding three policies, one arranged in September 2023 but cancelled in April 2024 and two arranged in May 2024.

What happened

Mr R arranged cover with BISL in September 2023. As of the beginning of February 2024, relations between Mr R and BISL had soured somewhat and Mr R was unhappy with the price BISL was saying he'd have to pay. As of 1 February 2024 Mr R cancelled the direct debit for the premium sum BISL was asking for and tried to get it to accept the sum he felt he owed/should be charged. Mr R then cancelled this policy in April 2024. He set up a new policy on 7 May, which BISL cancelled on 27 May 2024 (I'll call this May1). Mr R then set up a new policy commencing on 31 May 2024 (I'll call this May2), which, following further correspondence about payment sums, BISL then cancelled on 21 June 2024.

In the run up to May2 being cancelled, Mr R told BISL he thought the cancellation for May1 was invalid – given what Mr B perceived as errors by BISL's call handlers. He said he had made arrangements so BISL could take payment for May1, meaning it was still in force. BISL told Mr R (on more than one occasion given copy correspondence shared by the parties) that May1 had been cancelled.

On 25 June 2024 BISL told Mr R it would not discuss the matter further as its complaints process had been exhausted. It said that because it had issued two complaint final response letters (FRLs), one in April 2024 and one in June 2024. In the April 2024 FRL BISL had accepted it had failed Mr B by not being clear with him and £65 compensation was issued.

Mr R complained to the Financial Ombudsman Service. Whilst his complaint was being considered, in November 2024 Mr R was told by the DVLA that he had no insurance in place. He disputed that, believing May1 was in place, and asked BISL to confirm he was insured. BISL offered a short reply, but issued no further FRL. It said May2 had been cancelled on 21 June and there was no other policy in place. Mr R saw this as a further failing of BISL all associated with the prior policy activity in 2024. The concerns raised by Mr R were then included as part of this complaint.

Our Investigator noted that BISL in its April 2024 FRL had accepted it hadn't been clear with Mr R and offered £65 compensation in that respect. But he also noted the amount of correspondence, starting on 1 February 2024, that had been generated on account of that lack of clarity. He was satisfied though that BISL had been clear with Mr R that May1 and May2 were cancelled. Overall he felt BISL should waive a £20 missed payment fee and pay further compensation of £285 for distress and inconvenience.

BISL said it would agree to remove the £20 charge from Mr R's record. It said it would also agree the additional compensation.

Mr R said he was pleased his complaint had now been upheld. However, he asked that the compensation sum was reviewed. In doing so he referenced 14 months of upset, and hours of research and writing letters (which he summarised as being a total of three months' work).

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 find I agree with our Investigator. I've set out my findings on this complaint below. However, both parties will likely note my findings are brief. That is meant as no discourtesy, rather it is in line with the informal nature of our Service.

BISL as an intermediary, sometimes acts for the insurer (such as in implementing policy cancellations), but it also has a duty to Mr R. BISL, in communicating with Mr R about his policy needed to be clear with him. BISL has accepted, in its FRL of April 2024, that had not happened – it had not been clear with Mr R. And it offered compensation to make up for the upset caused by its error. I'm satisfied that the lack of clarity BISL offered compensation for played a part in the later activity and correspondence which occurred, commencing from 1 February 2024.

Between February and June 2024 Mr R was dealing with BISL on a daily basis, questioning the price it was asking him to pay, telling it he would only agree to pay a lesser sum (which he believed was correct), Mr R cancelled a policy, BISL cancelled May1 and May2, Mr R continued to debate the sums charged and he then also told BISL he felt May1 was still in force. I should say that I don't agree with the tactic Mr R took during this period – he was effectively trying to set the premium to pay, refusing to pay anything else. Whilst I understand Mr R feels strongly that BISL had misled him in an earlier period – refusing to pay the premium set by the insurer is not the way to go about resolving a dispute.

That said, I think BISL could have been clearer with Mr R at times and it is clear from all of the correspondence that parties were often talking at odds. For example Mr R was wanting to pay BISL £173 which, based on his own calculations, was what he felt the cost was for the remainder of the policy year. And when he tried to pay this he was told he could only pay £110 – the monthly premium outstanding including fees. I understand there was a missed payment fee charged around this time. I'm satisfied it should be removed and I note BISL has agreed to do that.

Mr R was clearly upset and frustrated during all of this. Taking everything into account I'm satisfied that compensation totalling £350 – so a further payment of £285 – is fairly and reasonably due.

I realise Mr R thinks the compensation should be higher. I note he's referred to the issue being ongoing for over 14 months. However, February through to the end of May is only three months, and I'm satisfied that, for the upset caused during this period by BISL's error in not having been clear with Mr R, £300 is fair and reasonable compensation

I do think that following the cancellation of May1 and then May2, BISL was clear with Mr R that May1 was cancelled, that May2 would be and that, finally, after May2 was also cancelled, he had no cover in place. Clearly Mr R did not agree that was the case. Certainly, regarding May1, he thinks BISL giving him (what he saw as) an incorrect reason for the cancellation meant the cancellation was invalid. I can't agree that, even if BISL gave an incorrect cancellation reason, that would mean the insurer led cancellation could just be ignored and deemed "invalid". And I do think BISL was clear with Mr R that, contrary to his view of things, both policies were cancelled. So whilst I realise that Mr R was caused worry

when he was contacted by the DVLA in late 2024, I don't think that upset was caused by any failure of BISL.

I know Mr R thinks BISL should do more, particularly in respect of when policies are arranged on-line, to check the industry claim database at the point just before cover is offered. I can see why Mr R thinks that should occur. But, as our Investigator explained, there is legislation in place which requires the policyholder to make sure they are answering questions asked correctly, to the best of their knowledge. The legislation does not require the insurer, whether the intermediary or underwriter, to verify the data shared before offering cover, with that offer being pitched at a price which reflects the answers which have been given in the application.

My final decision

I uphold this complaint. I require BISL Limited to remove the charge of £20 and pay Mr R compensation of £285 (with my total compensation award being £350 but where £65 has already been paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 28 October 2025.

Fiona Robinson
Ombudsman