

## **The complaint**

Mr W, as the representative of the estate of Mr S, complains that Sabre Insurance Company Limited trading as GoGirl (Sabre Insurance) didn't provide a refund when a motor insurance policy was cancelled.

## **What happened**

The late Mr S insured a car with Sabre Insurance. Following his death, Mr W contacted spoke with Sabre Insurance, Mr W was told that if the policy was cancelled, a refund would be issued representing the remaining period of the policy cover. Mr W says that based on that information, he agreed to cancel the cover.

The policy was cancelled but Sabre Insurance didn't issue a refund. It said an error had been made, as Mr S had made a claim during the period of cover, and so the terms and conditions meant that the full premium was then due and even if cancelled, no refund would be provided.

Mr W was unhappy with this and so complained on behalf of the estate of Mr S. When Sabre Insurance rejected the complaint, he referred it to our service. Our investigator thought that while an error had been made in the communication with Mr W initially, the conclusion that no refund was due was reasonable. Mr W didn't agree and asked for an ombudsman's 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.

What's happened here doesn't seem to be in dispute. After Mr S passed away, Mr W contacted Sabre Insurance and was told the policy cover could either continue or be cancelled, and that if the policy was cancelled a refund would be issued. Mr W decided, on the basis that a refund could be received and the cover was no longer required to cancel the policy. Sabre Insurance confirmed this and that a refund would be issued.

However, a few days later Mr W was informed that he'd been informed of the refund in error, because a claim had been made on the policy. I'm aware that Sabre Insurance, after noting its error, offered to reinstate the policy to allow the remaining named drivers on it to continue having the benefit of cover, but this wasn't accepted.

Mr W's correspondence with us doesn't dispute the existence of the claim, or that the relevant terms and conditions of the policy say that when a policy is cancelled, "there will be no refund of premium in the event of a claim." His argument is that Sabre Insurance should honour the refund because they said in error this would be done.

I do sympathise with Mr W's situation here, but do think the condition referred to in the policy was suitably clear to mean that no refund was due in the circumstances. I appreciate Mr W wasn't aware of the claim, or the impact of it in the event of the policy being cancelled.

However, as the claim had been made, no refund was due in the event of cancellation. These types of conditions are common in insurance policies, and it's reasonable to say that where an insurer is liable for a claim during the period of cover, the entire premium for that period is due. If an insurer was expected to refund the premium for a cancelled policy, then policyholders could benefit from cover and obtain a refund of the premium by cancelling the policy after making a claim.

Sabre Insurance doesn't dispute that it made an error in saying a refund would be issued. What I need to essentially decide is whether that error means I should ask it to pay that refund. I'm not satisfied I should. Simply because an error was made, it doesn't mean that Sabre Insurance should be required to make a payment for which it isn't liable, for the reasons I've explained above. The refund payment wasn't made, and Sabre Insurance notified Mr W of the error within a matter of days.

I also acknowledge that Mr W's experienced a loss of expectation for a short period of time that a refund would be received. However, he's a representative of Mr S' estate, which is the complainant in this case. As such I can't ask Sabre Insurance to pay compensation to him (or, as he's requested, a charity), for this loss of expectation and distress caused by Sabre Insurance's error.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the representatives of the estate of Mr S to accept or reject my decision before 31 October 2025.

Ben Williams  
**Ombudsman**