

## The complaint

Mr O has complained that BISL Limited did not cancel his policy despite him asking it to do this within the 14 day cooling-off period.

Any reference to BISL includes its agents or trading names.

## What happened

Mr O took out a policy through BISL which started on 23 January 2025. He agreed to pay the premium using a finance plan with monthly payments due to repay this. On 29 January 2025 BISL emailed Mr O to tell him it had found out about a claim he'd not disclosed and that his premium had gone up because of this. Mr O responded to this email on the same day and said BISL should cancel his policy. BISL sent a further email on 7 February 2025 confirming the change to Mr O's policy had been completed. Mr O responded to this email as well the same day and referred to his previous email saying the policy should be cancelled.

Because Mr O's emails both went to an email address that was not monitored the policy continued and BISL collected the amounts due each month by direct debit. Mr O then sold his vehicle and he cancelled the direct debit on 15 April 2025. BISL wrote to Mr O about this and asked him to make the arrangements necessary for payments to continue. As an alternative payment method wasn't supplied by Mr O, his policy was cancelled on 23 May 2025. BISL later back-dated the cancellation to when Mr O sold his car in April 2025.

Mr O then made a complaint to us about BISL's actions. We told it about this and BISL eventually issued a final response letter to Mr O on 15 July 2025. In this BISL explained it didn't cancel the policy because Mr O's request for it to do so was sent to an unmonitored mailbox. And it pointed out that because Mr O hadn't arranged insurance for his vehicle elsewhere it had charged him for the time up to when he sold it. And it said that technically the policy could not have been cancelled until this point anyway, as Mr O still had the vehicle and needed to insure it. And that a £60 cancellation fee for cancellation outside the cooling-off period was payable.

It also pointed out that even if the policy had been cancelled in the cooling-off period, Mr O would still have needed to pay a £25 arrangement fee and for the time he was on cover prior to the cancellation. It said it had noted what Mr O had said about sending emails from an unmonitored mailbox and would feed this back to the relevant department. It then agreed to waive the £60 cancellation fee, remove the amount outstanding for the cover provided of £27.50 and pay £35 in compensation for its handlers failure to fully address Mr O's concerns initially. It should be noted that BISL has referred to the additional compensation it paid as £30, when it did in fact pay £35.

Mr O remained dissatisfied and asked us to consider his complaint. One of our investigators did this. She said it shouldn't be upheld because she was satisfied what BISL had done was reasonable.

Mr O doesn't agree with the investigator's view and has asked for an ombudsman's decision. He's said he exercised his statutory right to cancel the policy in the cooling-off period and

there was no bounce back or error notice because he sent his email requesting this to an unmonitored mailbox. And he has pointed out that there was no clear warning at the top of the messages he received from BISL from this mailbox saying it was unmonitored. And he thinks that using this mailbox means its communication system is inherently opaque and prone to customer confusion. He believes that BISL have a duty to make sure its customers can exercise their cancellation rights in a transparent and accessible manner. And he doesn't think its failure to act on his request to cancel the policy gives BISL the right to retain the premium he has paid. He doesn't believe the compensation BISL has paid is enough, bearing in mind he has had the financial impact of BISL taking unauthorised payments, the stress of getting debt recovery notices and in view of the time and effort he's had to put in to pursue a resolution.

### **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 agree with our investigator that Mr O's complaint should not be upheld for broadly the same reasons.

I am satisfied that BISL is entitled to use an unmonitored mailbox to send communications to its customers about their policies. And I think the warning near the end of these message that the mailbox isn't monitored is just about sufficient. But I do think it would help if this warning was in a more prominent position. And I am pleased to see BISL has taken on board feedback from Mr O on this and it seems it may well move the position of the warning in due course.

I have noted what Mr O has said about BISL taking unauthorised premiums. Although, I think what he means is unauthorised payments. I say this because the whole annual premium was paid to the insurer and Mr O was paying this back monthly via a finance plan. However, I am satisfied that Mr O should pay for the cover he received up to the point he sold his car. This is because he has not provided any evidence to show he insured it elsewhere, which means his insurer was *on risk* for it in this period.

I also agree that because it doesn't appear that Mr O insured his car elsewhere, it is right to say the cancellation of his policy should not be backdated to the point he requested it in the cooling-off period. This means he should have had to pay a £60 cancellation fee as well as for the time he was on cover. So, I agree with BISL that the fact it has waived the cancellation fee and the amount outstanding for the time the insurer was covering Mr O's car means it has paid Mr O a further £87.30 in compensation. So I think the total amount it has paid in compensation with the extra £35 it paid for its failure to fully address Mr O's concerns originally is more than reasonable.

It also follows that – bearing in mind – Mr O did owe something for the time he was on cover and the cancellation fee, BISL's reference to debt recovery was reasonable in the circumstances. Although, it is good to hear it has now cleared this from its system.

In summary, I am satisfied that BISL has adequately addressed Mr O's complaint and what it has paid him in compensation is more than reasonable.

### **My final decision**

For the reasons set out above, I've decided not to uphold Mr O's complaint about BISL Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 18 January 2026.

Robert Short  
**Ombudsman**