

The complaint

Miss G is complaining First Central Underwriting Limited (FCUL) allowed her to take out a duplicate motor insurance policy. She's also unhappy with its actions when the policy was subsequently cancelled.

What happened

In November 2022 Miss G took out a car insurance policy provided by FCUL. She took it out through a broker. She wanted to pay for the annual premium in monthly instalments. To do so she entered into a running account credit agreement provided by the broker.

In February 2023 Miss G took out another car insurance policy for the same car – also provided by FCUL and taken out through the same broker. She chose to pay for the annual premium in the same way as the other policy.

In April 2024 the broker wrote to Miss G to say she'd cancelled her direct debit mandate and said it may cancel the insurance policy if she didn't reinstate the direct debit mandate and pay the missed payment. In May 2024, the broker cancelled both of Miss G's insurance policies due to non-payment of the monthly premium finance payments.

Miss G complained to FCUL and, in summary, raised the following:

- FCUL should have recognised she was taking out a duplicate policy and have had processes in place to prevent this from happening;
- She thinks it acted in an underhand way internally in the way it calculated how much it should charge her for the policies;
- She's not satisfied FCUL has calculated the amount she owed on the two policies fairly.

Our Investigator didn't uphold this complaint. Miss G didn't agree with the Investigator's opinion, so the complaint's been passed to me to decide.

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 should first set out that I'm aware Miss G has also complained about the broker's actions in the way it handled the credit agreement. But this Service is considering this in a separate complaint. In this decision I'm only considering FCUL's actions in the handling of her insurance policy.

I've decided to not uphold this complaint and I'll now explain why.

I recognise Miss G is unhappy FCUL allowed her to take out a duplicate policy. But I can't reasonably hold it responsible for this. Miss G took out both policies herself and did so online – i.e. there wasn't any FCUL employee involved with this. Insurers aren't required to routinely check whether any policy may be a duplicate. It was Miss G's actions that caused

this, not FCUL.

That said, once an insurer becomes aware that a consumer is dual insured – i.e. has multiple policies covering the same risk – I would expect them to take steps to put things right. In this case, once FCUL became aware Miss G had taken out a duplicate policy I can see it backdated the cancellation of the relevant policies to ensure that, in effect, Miss G only ever had one policy running at a time.

I can see from FCUL's internal records – as Miss G has set out – that it had difficulties in resolving the cancellations. Miss G has highlighted these caused issues with her credit agreements. But this is being considered in her other complaint. Ultimately, I'm satisfied that FCUL ultimately handled the cancellation in a fair way. It's explained how it calculated the premiums charged. And I'm satisfied it has fairly charged Miss G for time on cover plus the administration charges for arranging and cancelling the policies. I also think it was fair for FCUL to charge these fees as it ultimately had to carry out the relevant works due to Miss G's actions.

My final decision

For the reasons I've set out above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 29 December 2025.

Guy Mitchell
Ombudsman