

The complaint

Miss Z has complained that First Central Insurance Management Limited cancelled her car insurance policy without informing her it was going to do so.

What happened

Miss Z had a policy which was arranged for her by First Central. She paid the premium by monthly instalments by direct debit. First Central was unable to collect the instalment due on 18 July 2023. It has said that it sent Miss Z an email on 19 July 2023 letting her know this and that it would try to collect the instalment again in three days' time with a late payment fee added. However, it was unable to collect the instalment (plus the late payment fee) when it tried again on 23 July 2023. So, First Central sent an email to Miss Z on 28 July 2023 saying that her policy would be cancelled on 11 August 2023 if she did not pay the overdue amount by this date. It also sent her a text message the same day saying there was a problem with the payments for the policy and that she should contact it to resolve the matter. Miss Z didn't pay this amount, so her policy was cancelled on 11 August 2023 by First Central. And it emailed Miss Z on this date to tell her this had happened. This left a balance outstanding for Miss Z to pay of £386.80.

Miss Z has said that she discovered there was an amount outstanding for her to pay and paid this amount on 18 August 2023. She then called First Central. It told her that her policy had been cancelled and the amount she had paid was the outstanding amount due following this. Miss Z has said she was told by the agent she spoke to that she'd been sent an email on 4 August 2023 saying she had to pay the amount outstanding on the policy within 14 days. But, when she pointed out she had done this on 18 August 2023, the agent told her that it had in fact needed to be paid within seven days. Miss Z asked First Central if it could reinstate the policy, but it said it was not willing to do this.

Miss Z complained to First Central about the cancellation. She said she had not received any of the abovementioned emails or the text message. And she didn't think it was fair that it had cancelled the policy. First Central rejected Miss Z's complaint. Eventually, in January 2025, Miss Z referred her complaint to us. First Central argued Miss Z's complaint had been referred to us too late. But, after I issued a provisional decision saying it had been brought to us in time, First Central accepted that we could consider it.

One of our investigators considered Miss Z's complaint. He said it should be upheld on the basis First Central had not provided reliable evidence that the abovementioned emails were received by Miss Z. And that it hadn't provided sufficient evidence to show the text message was sent to her and delivered. In view of this, he didn't think First Central had provided sufficient notice to Miss Z that her policy was to be cancelled. And he suggested First Central should remove any record of the cancellation from its records and any external databases it had been placed on. And that it should refund any fees Miss Z had incurred because of having her policy cancelled. And that it should pay Miss Z £200 in compensation for distress and inconvenience. He also said First Central should reimburse anything extra Miss Z can show she had paid for her car insurance as a result of having to declare she'd had a policy cancelled.

First Central didn't agree with the investigator's view and asked for an ombudsman's decision.

I issued a provisional decision on 28 January 2026 in which I set out what I'd provisionally decided and why as follows:

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, although I appreciate Miss Z will be very disappointed, I don't think her complaint should be upheld. I'll explain why.

I am satisfied that First Central has provided sufficient evidence to show that it sent two emails to the right email address concerning the cancellation of Miss Z's policy. The first one, which was sent on 28 July 2023, warned her that there was a payment outstanding and that her policy would be cancelled on 11 August 2023 if she didn't make this payment. I can see from First Central's records this email was sent to the right email address and that it was opened at some point by Miss Z. I think this shows on the balance of probabilities that it was sent and delivered to Miss Z's email address on 28 July 2023. Miss Z may not have noticed it at this point, or opened it until much later. But this does not alter the fact that First Central fulfilled its obligation to warn Miss Z that there was a payment outstanding in respect of her policy and that it would be cancelled if she didn't pay it.

First Central has said this email was preceded by an email around 18 July 2023 letting Miss Z know it had been unable to collect the instalment payment due on this date. It hasn't provided evidence to show this email was sent, but I have no reason to doubt its assertion that it was. However, it would be helpful if First Central could provide evidence this email was sent in response to this provisional decision. Though, even if it can't do so, as I've said, I'm satisfied the email of 28 July 2023 was sent to Miss Z and that this gave her sufficient warning of the cancellation.

I am also satisfied that First Central sent a text message to Miss Z on 28 July 2023 telling her that there had been a problem with a payment linked to her policy and that she needed to contact it. I appreciate it can't actually show this was delivered, but I can see from its system record it was sent to the right mobile number. So, I can't really see any reason why Miss Z wouldn't have received it. Although, I appreciate she cannot recall this.

I am also satisfied that Miss Z received an email from First Central on 11 August 2023 telling her that her policy had been cancelled. Again, I appreciate she doesn't recall seeing this email. But this doesn't mean she didn't receive it. And I think it is most likely she did. This is important because if Miss Z had opened it on 11 August 2023 and called First Central at this point, it seems it would have reinstated her policy subject to her paying what was outstanding.

I think it is worth me saying that I would have expected First Central to also send a text message at this point to let Miss Z know her policy had been cancelled in case she missed the email and ended up driving uninsured. However, bearing in mind Miss Z missed the previous text it sent, I am not persuaded a text would have made any difference in Miss Z's case. And – even though she may have driven uninsured for a short period – fortunately she did not suffer any adverse consequences because of this.

It is not clear why Miss Z accessed her portal at some point after 11 August 2023. But it does seem it was at this point she realised there was a problem. But, unfortunately by the time she contacted First Central on 18 August 2023, it was too late for her to have her policy reinstated. And, bearing in mind this was seven days after it had been cancelled, I think this

was understandable and a perfectly reasonable response by First Central. Especially, because, as far as it was concerned, Miss Z had been given ample opportunity to make contact with it and avoid having her policy cancelled or to have it reinstated.

It should be clear from what I have said that, while I do not dispute the fact Miss Z says she didn't notice the emails and text message she received from First Central prior to her policy being cancelled, I do not think it was a failure by First Central to fulfil its obligations that led to her policy being cancelled without her knowledge. In light of this, I do not consider it is appropriate for me to uphold her complaint about First Central cancelling her policy. I appreciate that Miss Z was given incorrect information when she spoke to First Central on 18 August 2023. But, ultimately, the message she got was right in that it was too late to reinstate her policy. So, I do not think this in itself warrants compensation for distress and inconvenience.

My provisional decision

For the reasons set out above, I've provisionally decided not to uphold Miss Z's complaint about First Central Insurance Management Limited.

I gave both parties until 11 February 2026 to provide further comments and evidence in response to my provisional decision.

First Central has said it does not have any further comments. However, it has provided evidence to show it sent an email to Miss Z's email address on 19 July 2023 letting her know that she had missed a monthly instalment payment.

Miss Z has responded to say that she disagrees with my provisional decision and has provided the following further comments and evidence.

- The fact that First Central's internal records show its email of 28 July 2023 was sent to the correct email address for her and 'opened' does not establish that effective notice of cancellation was provided. An opened status does not establish that the email was read, understood or brought to her attention at the relevant time. Nor does it confirm when, how or by whom it was opened.
- She has provided a screenshot of her email inbox covering the period around when her policy was cancelled to show that she did not receive the emails providing the cancellation warning and confirmation of the cancellation.
- Where cancellation of a policy carries serious consequences internal sending records alone are insufficient to demonstrate effective notice.
- No evidence has been provided to show the text message sent by First Central on 28 July 2023 was delivered. So, my view that she received it is speculative. She has provided a screen shot of a text that she received in March 2023 relating to a payment, which she has said she reacted to promptly. And she thinks this demonstrates she would have acted promptly if she had received the text on 28 July 2023.
- My reference to her accessing her First Central Portal infers that I think this indicates she was aware of the cancellation. But accessing a portal in the absence of any clear warning or notification of an outstanding payment cannot be reasonably treated as notice of cancellation. And there is no evidence of any portal alert or message advising her that a payment had been missed.
- She was not informed of the impending cancellation of the policy during her telephone contact with First Central, despite her call providing First Central with a clear opportunity to inform her of this.
- Many administrative processes, including automated email and portal systems are prone to failure or error. And, in her case, the cancellation of her policy appears to have arisen

from such an automated process rather than deliberate action or negligence on her part. And the consequences of these system errors is being disproportionately borne by her.

- Once she became aware of the outstanding balance she acted in good faith and made the payment on 18 August 2023. And her long history of maintaining the policy without issue demonstrates she had no incentive to avoid payment.
- The question I need to consider is not whether First Central followed its internal administrative processes, but whether she was properly and effectively notified of the cancellation of her policy.
- She would like me to confirm the evidence I have relied on regarding the alleged email, text notifications, including the details of delivery and timings, as her records do not show these communications.

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 have noted Miss Z's comments in response to my provisional decision and reviewed the evidence provided, but it does not alter my view on the fair and reasonable outcome to her complaint. I'll explain why.

First of all, I should explain that the evidence I have relied on which has been provided by First Central is its systems log of emails and text communications to Miss Z. And its log of activities on Miss Z's online portal, which includes the times she accessed it. I do not have recordings of its telephone conversations with Miss Z in 2023 because by the time she referred her complaint to us, these had been deleted.

I have noted Miss Z's comments and do not doubt the fact she didn't realise that her policy was going to be cancelled. However, it would only be appropriate for me to uphold her complaint about First Central if I thought it more likely than not that this was because of a failure or failures on its part to fulfil its obligations to Miss Z. It is also important that Miss Z understands that when I am considering a complaint like this I review the evidence provided and decide what happened on the balance of probabilities, i.e. what is more likely than not to have happened.

This means that I need to consider the evidence provided by both Miss Z and First Central. And while Miss Z might not think internal systems records are good evidence of what First Central did to inform her about the payment she had missed and the cancellation of her policy, it is the only evidence it can really provide. And I consider it to be important and compelling. This is because I think it shows First Central largely fulfilled its obligations to inform Miss Z that she had missed a payment, that her policy was going to be cancelled and that it had been cancelled. I say this because its records show the emails informing her of this were sent to the right email address and this is all it was required to do. If for some reason Miss Z didn't see them or they didn't arrive in her inbox and somehow someone else opened one or all of them, this would not be First Central's fault, i.e. it would not mean it had done anything wrong.

The same is true of the text message First Central sent. For me, all it needs to show is that it is more likely than not that it sent this to the correct mobile phone number. This is because – if it did – I think it also shows it is more likely than not that Miss Z received it. It is not for me to speculate on why she didn't see it, as this does not alter the fact it was most likely to have been sent to her mobile number by First Central and that she received it.

The only thing I would criticise First Central for is the fact it did not send a text confirming to Miss Z that her policy had been cancelled. And this was a failure on its part to fulfil what I

consider its obligations were. But, as I said in my provisional decision, I do not consider this in itself prejudiced Miss Z's position, as she has said she didn't see the previous text First Central sent, so it seems unlikely that she would have seen it and/or acted if she had been sent one to the same mobile number telling her that her policy had been cancelled not long after this.

I do of course appreciate that administrative processes can fail. But, based on the evidence provided by First Central, I do not consider it to be more likely than not that its administrative processes to inform Miss Z she had missed a payment and about the cancellation of her policy failed. I have no doubt Miss Z didn't pick up on the fact she had missed a payment and that her policy was to be cancelled until it was too late. And I am sorry to hear of the problems she has experienced due to having had a policy cancelled. But I do not think this happened because of anything First Central did wrong.

I have of course noted the screen shots Miss Z has sent of her email inbox which she has said shows all the emails she received from First Central around the time her payment was missed and her policy was cancelled. However, the fact that the emails notifying her about the missed payment and the policy cancellation are not showing in her inbox does not mean First Central didn't send them. And, as I have already said, I appreciate for some reason Miss Z didn't see them, but this is not, in my opinion, because of anything First Central did wrong.

My reference to Miss Z accessing the portal does not mean I think she was aware of the policy cancellation. But I presume it was her accessing the portal which made her realise there was a payment outstanding. This having been said, I think if she'd accessed the portal prior to her policy being cancelled she probably would have realised this was going to happen or at least that a payment had been missed. Of course, Miss Z did pay promptly when she found out about the outstanding payment. But, unfortunately for her, it was too late for her policy to be reinstated. But, again, this wasn't due to something First Central did wrong. It was just unfortunate that it was too late.

In summary, while I do not dispute the fact that for some reason Miss Z didn't realise she had missed a payment and that her policy had been cancelled, I remain satisfied that First Central did largely fulfil its obligations to her around this. Therefore, I do not consider it is appropriate for me to uphold her complaint.

My final decision

For the reasons set out above and in my provisional decision, I have decided that Miss Z's complaint should not be upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Z to accept or reject my decision before 16 March 2026.

Robert Short
Ombudsman