complaint

Mrs N complains that Right Choice Insurance Brokers Ltd cancelled her motor insurance policy without informing her. Mrs N was later charged with driving without insurance.

background

Mrs N paid her premiums by monthly direct debit on a finance plan. Her payment failed due to lack of funds in her account on 23 March 2015. Two days later Right Choice sent Mrs N seven days notice of cancellation. Mrs N says she called Right Choice several times. She thought the payment had been applied for early and the charge wasn't right.

On 28 March 2015 Mrs N told Right Choice by email she wanted to cancel the policy as she wasn't happy with its service. On 3 April 2015 Mrs N's bank told her finance company that her direct debit instruction had been cancelled. Mrs N didn't contact Right Choice again until after she'd been stopped by the police on 23 April 2015.

Our adjudicator thought Right Choice acted reasonably in wanting to cancel the policy and in sending its cancellation letter by recorded delivery. In any event, she said Mrs N had asked for the policy's cancellation almost a month before she was stopped by the police.

Mrs N said she'd made a complaint to the finance company about being charged too much and was waiting for a response. The adjudicator didn't think that meant Right Choice was to blame for what had happened. But she thought it needed to look again at the balance it had asked Mrs N to pay. Right Choice accepted that Mrs N owed it less than £10.

Mrs N wasn't happy with the outcome and asked for a review of the complaint.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Right Choice has shown that Mrs N's direct debit was set up to be paid on the 23rd day of each month. Mrs N says she thought it should have been the 28th of the month, but she's mistaken. As the bank wasn't able to pay the direct debit, the finance company made a £30 charge. It seems Mrs N may have thought the extra sum was for the premium, but Right Choice can show it wasn't. Mrs N contacted the finance company and it said it would look into her concerns. It seems it didn't do that, but Right Choice isn't to blame for that.

Once Mrs N had asked for the policy to be cancelled on 28 March 2015, I think the onus was on her to check what was happening, to make sure she had valid insurance cover.
Right Choice can show it sent her letters on 1 April 2015 and 7 April 2015 telling her what the cancellation charges would be and confirming the cancellation.
Mrs N says she spoke to Right Choice three times at the end of March 2015 and again on 1 April 2015. Right Choice can't find any evidence of calls from Mrs N except the one in which she said she wanted to cancel the policy. But on the dates she's quoted, it can show it left texts, a message and an email for her. It says they weren't replied to. I think it's possible Mrs N may have called the finance company rather than Right Choice.

By the time Mrs N was stopped by the police, the payments due for the policy in March and April 2015 hadn't been paid. I think Mrs N must have been aware of that. She's suggested the bank might have cancelled the direct debit plan, but I think that's very unlikely. Mrs N had told Right Choice she was cancelling the policy, so cancelling the direct debit was the obvious next step for her. I don't think it was reasonable for Mrs N to assume the policy was still in place given those facts. She says she hadn't received any letters from Right Choice, but I think it was for Mrs N to query that. There's nothing to show that she did.

It looks as though Right Choice made an error in asking Mrs N to pay a substantial sum following the cancellation. When the adjudicator queried it, it emerged that Mrs N only owed a very small sum. Right Choice agreed to write it off. I think that was reasonable.

I don't think there's any basis for me to uphold Mrs N's complaint against Right Choice.

my final decision

My final decision is that Right Choice Insurance Brokers Ltd should settle the complaint by writing off the £7.59 Mrs N owes, as already agreed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 15 February 2016.

Susan Ewins
ombudsman