

## **complaint**

Mr A has complained that One Call Insurance Services Limited cancelled his motor insurance policy without telling him.

## **background**

Mr A bought a motor policy through a broker, One Call. It couldn't verify Mr A's address. So it wrote to the address Mr A gave it and told him he had seven days to provide proof of his address or his policy would be cancelled. It didn't hear from Mr A, so it cancelled his policy.

Mr A complained to One Call. He said he didn't get the seven day cancellation notice until a few days after his policy had been cancelled. So he'd been driving uninsured without his knowledge. One Call waived its set up charge due under the cancelled policy and refunded Mr A's premium to him.

Mr A remained unhappy so he brought his complaint to us. He said he had to buy another policy through One Call after it cancelled his policy. The premium was much higher due to the cancelled policy but he felt he had no choice. One Call didn't refund anything to him – but it may have applied the refund toward the cost of the new policy.

The adjudicator who investigated the complaint recommended it should be upheld. The difference in address was only in adding the caravan number – as Mr A lived on a caravan park. She felt One Call should have contacted Mr A by email or phone as well as by letter when the problem was with his address. She recommended One Call pay the difference in premium Mr A had to pay for his new policy for a period of one year – subject to proof the additional cost was due to the cancellation.

One Call didn't agree. It said;

- The reason why it cancelled the policy was because Mr A's driving licence showed he lived at a different address to the caravan park address.
- Mr A was able to put the caravan number online in his address when he bought a policy with them two years before.
- It now contacts customers by phone and email as well as letter – but at the time it didn't have the facility to do this. And Mr A didn't leave a contact number.
- It wrote to the address Mr A gave it and asked for proof of his address. So One Call believes it did the right thing. And as Mr A didn't reply, it cancelled his policy correctly.

The adjudicator said the issue was that One Call should have tried to contact Mr A by more than just a letter, as it needed to verify his address. It didn't do this. And because it now emails and texts customers, the adjudicator felt this showed a letter alone wasn't enough to alert Mr A to the cancellation of his policy. So her opinion remained unchanged.

One Call didn't agree. It believes there's confusion as to why it cancelled Mr A's policy. Any problem with the caravan address number wasn't identified until after Mr A's policy was cancelled. Its reason for cancelling the policy was because Mr A's driving licence held a completely different address. It explained in its Terms of Business that the documents Mr A provided must have the same address as the address he gave it.

It wrote to the address given to verify Mr A's address. This was the correct way to find out if the address it had the right address for Mr A as part of its Anti Money Laundering checks.

So the matter has been referred to me to decide.

### **my findings**

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 intend to uphold it.

One Call's notes show it received Mr A's driving licence and proof of his No Claims Bonus on 15 July last year. The address on the driving licence didn't match the address Mr A gave on his online application. So it wrote to Mr A the next day giving him seven days to provide proof of his address. But I don't think One Call made it clear that the reason why it was giving notice to cancel was because the driving licence showed a different address to the one Mr A gave it. I can understand why Mr A believed it was the difference in adding the caravan number to the address which caused the cancellation. The letter read;

*"We write to you in respect of your motor insurance policy for vehicle registration (registration details). We have checked our databases and these have shown there is no record of you at the address we have on file. We now require ONE of the following documents in order to keep your vehicle insured;*

- A copy of your driving licence with the address matching to what we have on file*
- A utility bill dated in the past 2 months with the address matching to what we have on file*
- A bank statement dated in the past 2 months with the address matching to what we have on file"*

Mr A said he didn't get this letter until after his policy had cancelled. Because the consequences of driving while uninsured are so serious, we think it's reasonable for an insurer to give a customer notice of a cancellation – and to tell a customer when it's cancelled the policy. This means the customer has the opportunity to prevent the cancellation, or take out alternative insurance elsewhere.

In this case, One Call wrote to Mr A to say it had a problem verifying his address. So I think it should have tried to contact him by email and/or phone too. And although One Call says Mr A was able to put the caravan number online in 2013; the adjudicator wasn't able to when she used its online application recently. Because One Call didn't attempt to contact Mr A other than by letter, I think it unfairly cancelled his policy. So the difference in address under the driving licence is irrelevant – as One Call's cancellation notice didn't explain this was why it couldn't verify his address.

Mr A doesn't believe One Call refunded anything to him last year. He wants One Call to give him a full refund and compensate him for the trouble and upset it's caused him and for the higher premium he had to pay for another policy.

One Call's notes show it refunded the premiums Mr A paid along with £49 to Mr A in August last year. This was made up of a balance of £20.22 toward the £49 charge and Mr A's original deposit of £28.78. It isn't clear if Mr A bought a new policy through One Call. It's provided a screen shot from the Motor Insurance database showing he bought a policy in October 2015 which it says was through another insurer. However Mr A says One Call arranged his new policy – and it recently called him about the renewal of his policy this month.

So I think a fair outcome is for One Call to pay any difference in premium Mr A had to pay for a new policy in 2015 because of the cancelled policy. Mr A will need to get proof from his insurer that the cancelled policy caused an increase in his premium and by how much. Then One Call should pay the difference between the higher premium and the premium Mr A would have paid under the cancelled policy.

I think One Call caused Mr A some upset when he found out he'd been driving uninsured for a few days. Fortunately, there were no consequences in this case. But I think One Call should pay some compensation and I think £75 is a reasonable sum.

### **my final decision**

For the reasons I've given above, my final decision is that I uphold this complaint. I require One Call Insurance Services Limited to do the following:

- Pay Mr A £75 compensation for the trouble and upset it's caused him.
- Pay Mr A the difference in premium under the policy he bought as a result of the cancelled policy – subject to proof of the additional cost.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 September 2016.

Geraldine Newbold  
**ombudsman**