

complaint

Mr N complained about Endsleigh Insurance Services Ltd cancelling his car insurance policy and how it treated him after he missed his monthly payment.

background

Mr N failed to pay his monthly insurance premium in February 2017. Endsleigh wrote to Mr N twice giving him three weeks to pay the overdue amount (so by 14 March). Endsleigh said if he wasn't able to make the payment or resolve the issue before then he should get in contact to discuss it further.

On 11 March, Mr N used Endsleigh's online chat facility. In that he explained:

- He was responding to the letter of 7 March and he knew he had missed the payment in February and the next payment was due on 20 March.
- He asked to make both payments on 25 March by card or bank transfer.
- He was awaiting a hip replacement which is due in about a week.

After this Mr N sent a screen shot of the online chat to Endsleigh by e-mail and asked for someone to contact Mrs N to sort matters out on his behalf.

Endsleigh called Mrs N on 15 March. In that call Mrs N explained that she would like to pay the two insurance premiums (a total of £55.50) on 25 March as she would get paid that day. She also explained Mr N was in hospital. Finally she indicated they wanted to move the payment date (to 1st of the month) to ensure this didn't happen again.

Endsleigh said it could only give a seven day extension until 23 March. In reply Mrs N said "but I don't get paid until the 25th"; nevertheless the call handler confirmed that unfortunately that was the maximum extension he was authorised to give. As a result Mrs N said she would see what she could do. Going forward Mrs N then discussed whether it would be easier to pay off the remaining balance which was £96.43 or to pay three monthly payments now (so April's as well) with the payment date moving to 1st of the month from May. Mrs N then said she would pay £96.43 by the 23rd.

A follow up e-mail was sent to Mr N the same day confirming the extension until the 23rd and that the policy would be cancelled if nothing was heard from Mr N before that date.

Mrs N said she sent a cheque to Endsleigh on 21 March for £93 (she said she had mistakenly written the wrong figure). But as Endsleigh hadn't received it by 23 March it cancelled Mr N's insurance. It e-mailed Mr N confirming this on 28 March and that he owed a £75 cancellation fee.

At this point there followed a series of e-mails between Mrs N and Endsleigh over what happened. This resulted in Endsleigh informing Mrs N it would pass the debt over to a debt collection agency, which would incur further charges, if £96.43 wasn't paid by 17 April. Endsleigh then returned Mrs N's cheque to her on 18 April. Finally on 4 May Endsleigh passed the debt to the debt collection agency – Mr N now owed £136.50.

Mrs N complained on behalf of her husband to Endsleigh. It didn't uphold his complaint and said it hadn't done anything wrong. As a result Mrs N brought the complaint to this service. One of our investigators looked into and agreed with Endsleigh. He thought Mrs N had

agreed to pay the debt by 23 March and by choosing to send the cheque in the manner she had meant it couldn't have got there in time. He thought Mrs N could have done more to let Endsleigh know what she had done and kept it informed. He also thought in the correspondence between the parties Mrs N had confused matters and had wanted Endsleigh to return the cheque to her so it hadn't acted wrongly in passing the debt to a debt recovery agency when it hadn't received the payment by 17 April.

As Mrs N didn't agree with the investigator the complaint has been passed to me to consider. I issued my provisional thoughts to all parties on 18 October. I said I thought Endsleigh hadn't acted reasonably by failing to consider Mrs N's request to pay on 25 March.

I asked Endsleigh why only seven days was granted and its response was that this is was its usual process unless extenuating circumstances were provided. But in this case I said I thought they clearly were. However, its customer service representative didn't really consider what Mrs N said nor did he attempt to seek further authorisation if his own powers were limited to seven days. In short, I said I didn't think it treated Mrs N (on behalf of Mr N) fairly in light of what she was asking for. And especially as it was evident she was looking to settle the entire owed amount which would remove any further risk to Endsleigh of missed payments and in light of both Mr and Mrs N's particular circumstances; all for the sake of an additional two day extension.

I explained that I'd listened to that call and while Mrs N did agree to the time frame, I thought that had to be put in the context of the call and despite her giving her extenuating circumstances, Endsleigh had already said no. So I could understand that Mrs N may have reasonably felt she had no other option.

Endsleigh didn't agree with my provisional thoughts. In summary, it said in response:

- As Mr N didn't inform it he was having pre-planned surgery and this would mean he would have difficulty paying - it wasn't an extenuating circumstance.
- Mr N had already had a three week extension and Mrs N should have made it clearer if she wasn't able to make the deadline of 23 March.
- The cheque was only received on 10 April and Mrs N should have informed Endsleigh she had sent it.
- It was Mrs N who asked for the cheque to be returned and it hadn't acted unfairly by doing this.
- Endsleigh explained it had already written off the debt from both its and the collections agency's records. It also confirmed there was no record of the cancellation of the insurance made on any database.
- It thought that this was now a fair resolution to the complaint. It said it didn't think a further £100 should be paid as even if it had granted the extension until 25 March, the cheque still wouldn't have been received in time given the date it received it.

Mrs N, on behalf of her husband, didn't have any substantive further comments to make.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. In doing so I uphold this complaint largely for the reasons already set out in my provisional view.

The facts of this whole complaint, and the events which followed, all turned on the phone call on 15 March when there was an opportunity to put a plan in place to allow Mr N to settle all of his outstanding policy by card payment on 25 March. Although now aware that Mr N was in hospital, and that his wife wouldn't be paid until that date, Endsleigh would only grant the extension until the 23 March – based on a policy of just providing a maximum seven day extension. Endsleigh failed to treat its customer at this stage sympathetically and fairly. Had it done so, a cheque wouldn't have been required, and a number of the other issues in this complaint wouldn't have arisen. In fact it's likely everything would have been resolved on 25 March.

I accept Mr and Mrs N may have brought the problems regarding paying the premiums to Endsleigh's attention earlier than they did. But Endsleigh did ask them to get in touch before 14 March – which is what happened. So I don't think it means that simply because they were slow in getting in touch, Endsleigh's subsequent conduct was fair.

Mr N's insurance is now cancelled and I see little merit in trying to unwind that situation given the state of the relationship between the parties and that Mr N now has a new policy in place. Endsleigh has said it has written off the outstanding debt and so has the debt recovery agency. It has also said it hasn't made any adverse entry on any records regarding the cancellation of Mr N's policy. While I acknowledge that Endsleigh has taken that action, I still think a further payment of £100 to recognise the trouble and upset caused is fair in all the circumstances taking into account the impact of having Mr N's policy and the upset caused by how the matter was handled.

my final decision

I uphold Mr N's complaint. I direct Endsleigh Insurance Services Ltd to:

- write off the debt of £136.50 and ensure Mr N isn't pursued by any debt collection agency for it (though I note it has said this has been done);
- ensure there's no adverse entries relating to the cancellation of Mr N's insurance on any internal or external databases (though I note it has said there aren't any); and
- Pay Mr N £100 for the trouble and upset caused.

Under the rules of this service, I'm required to ask Mr N to accept or reject my decision before 1 December 2017.

Benjamin Taylor
ombudsman