

complaint

Mr D's complaint is that Esure Services Limited shouldn't have cancelled his motor insurance policy.

background

I have attached my provisional decision from August 2015, which forms part of this final decision. In my provisional decision I set out why I was thinking of upholding Mr D's complaint. I invited both Mr D and Esure to provide any further submissions they may wish to make before I reached a final decision. No responses were submitted.

my findings

I've re-considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. As neither Mr D nor Esure has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision.

It follows that I uphold Mr D's complaint.

my final decision

My final decision is that I uphold Mr D's complaint. Esure should:

- Refund to Mr D the difference in price between the cancelled policy and the new policy that he had to take out.
- Give Mr D a letter stating that it shouldn't have cancelled his policy. Mr D can then show this to any new insurers to ensure that he isn't charged more due to any record of the cancellation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 November 2015.

Carole Clark
Ombudsman

COPY OF PROVISIONAL DECISION

complaint

Mr D's complaint is that Esure Services Limited shouldn't have cancelled his motor insurance policy.

background

Mr D took out the insurance in September 2014. The policy required that the car should have a 'black box' telematics device fitted. Esure's welcome letter explained to Mr D that, at installation, Mr D would need to show the engineer the V5 registration document as well as driving licences for all of the drivers named on the policy, including his own.

The engineer fitted the black box on 17 October. There's no suggestion that Mr D didn't present all of the required documents at that time. But according to him, the engineer said that he only needed the V5 and Mr D's licence as the main policyholder. The engineer scanned these two documents. But the copies received by Esure via email weren't legible.

Esure wrote to Mr D on 21 October. It thanked him for providing the required documentation at installation but explained that these couldn't be verified so it needed further copies. It asked him to send in copies of the V5 and driving licences for each driver insured on the policy. It said Mr D could either use the pre-paid envelope or upload the documents online.

Esure didn't hear from Mr D and so it sent him another letter on 3 November. It again asked for copies of the V5 and driving licences for each person insured on the policy. It said that the policy would be cancelled from 11 November if these weren't received. There was again a pre-paid envelope enclosed, although this letter didn't mention being able to upload the documents.

Mr D says that he responded to this letter by sending the documents in the pre-paid envelope. However he didn't include his own driving licence because he says he assumed that Esure already had a copy of this from the installation engineer.

On 12 November Esure rang and spoke to Mrs D. Mr D wasn't available and no message was left for him.

Esure didn't receive the documents and so wrote to Mr D again on 18 November telling him that it had cancelled the policy with effect from 13 November. Mr D says that he received this letter on 21 November, meaning that he and his family had been driving the car without insurance for a week. As soon as he found out the policy had been cancelled he arranged another one with Esure, which was more expensive. He emailed a copy of his driving licence in order to set this up quickly.

Our adjudicator thought that Esure was within its rights to cancel the policy. So he didn't uphold the complaint. Mr D doesn't agree and so the complaint has been passed to me for a decision.

my provisional findings

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

The welcome letter says that all the necessary documentation needs to be presented to the engineer before installation can take place. Mr D apparently complied with this. The engineer sent Esure unreadable copies of only two of the documents. So the first mistake in this chain of events was made by Esure's representative. As far as Mr D was concerned, he'd done everything that he'd been asked to and there was no problem with his cover.

It was of course reasonable for Esure to request copies of the full documentation. And Esure feels that its contact with Mr D was enough to alert him to what was required, and the consequences of not doing so.

This is a finely balanced case and I can understand why the adjudicator didn't uphold it. But my current view is that this wouldn't really be fair, based on the particular circumstances of the case. This is a situation where Mr D had already shown the documents to an Esure representative. So as far as he was concerned, he'd done as he was asked. Given this, I don't think the later contact with him did enough to correct his assumptions about this. I also think that, as Esure knew the original fault didn't lie with Mr D, it should have taken greater efforts to contact him before cancelling his policy.

Mr D clearly paid little attention to the first letter. He says he thought it was just a formality, which I can understand as he thought he'd done all he needed to set up his policy correctly. He then did pay attention to the second letter because it talks about the policy being cancelled if he doesn't respond. But again he doesn't fully understand it. He doesn't think they want a copy of his driving licence as well – because he knows he's already provided it. If Esure had made more effort to contact him, in particular by phone, it could have explained the urgency of the situation and what documents were required. It could also have advised him that he could upload the documents online (as he did for his new policy), which would have avoided the scenario of them getting lost in the post, as seems to have happened.

It follows that I provisionally uphold Mr D's complaint.

my provisional decision

My provisional decision is that I uphold Mr D's complaint. I think Esure should:

- Refund to Mr D the difference in price between the cancelled policy and the new policy that he had to take out.
- Give Mr D a letter stating that it shouldn't have cancelled his policy. Mr D can then show this to any new insurers to ensure that he isn't charged more due to any record of the cancellation.

Carole Clark
ombudsman