

## **complaint**

Miss B complains that Sureterm Direct Limited unfairly asked her for payment for an old motor insurance policy.

## **background**

Sureterm apologised that it made a mistake by renewing Miss B's policy but not taking payments by direct debit. Miss B complained after Sureterm and its debt- collectors chased her for payment.

The adjudicator did not recommend that the complaint should be upheld. He concluded that Sureterm was entitled to ask Miss B for the premium. He said she did benefit from having car insurance from Sureterm. He said that Sureterm's offer to accept nearly £100 less to settle the debt was reasonable.

Miss B disagrees with the adjudicator's opinion. She says, in summary, that – in view of the actions of Sureterm and its debt recovery agents – it is not fair to ask her for payment.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

About ten months passed after the policy renewal. So I do not doubt that Miss B was annoyed when she found out that Sureterm was asking her to pay for a policy which was about to expire.

I have not seen enough evidence to persuade me that Miss B took any steps to cancel the Sureterm policy – or to take out a new one - until the Sureterm policy came to the end of its twelve months.

No doubt she had to pay her new insurer. So she was reluctant to pay for the expired policy as well as for the new one. But in my view the need to pay both was the other side of the coin from her earlier "payment holiday". I do not share her view that this was unfair. She had, after all, had the benefit of the Sureterm policy.

Sureterm sent an irrelevant letter warning that it might cancel her policy (although it had already expired). It later apologised for this.

Miss B says that Sureterm instructed a debt collection agency which then said it would not pursue the debt. I do not place much weight on this as I have not seen any evidence to support it. And it is not uncommon for external debt recovery agents to pass debts back "in-house" when a customer raises a dispute.

Sureterm apologised for its mistakes and offered to reduce the debt by about £100. I find that this was a fair and reasonable way to make up for those mistakes.

I do not share Miss B's view that it would be fair and reasonable to order Sureterm not to ask her to pay the balance.

**my final decision**

For the reasons I have explained, my final decision is that I do not uphold this complaint. I make no order against Sureterm Direct Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss B to accept or reject my decision before 1 July 2015.

Christopher Gilbert  
**ombudsman**