

complaint

Ms H complains that One Call Insurance Services Limited cancelled her motor insurance policy without her knowledge which led to her being stopped by the police for driving without insurance. She also complains that it delayed sending the policy refund to her following the cancellation and that it has not sent her the copies of call recordings that she asked for. She seeks £3000 compensation for her costs, stress and inconvenience.

background

Ms H bought a motor insurance policy online through One Call's website. As One Call did not receive a copy of the photo card driving licence, following several requests, it cancelled Ms H's policy. It wrote to her to tell her that it would refund £211.79 of her premium. Ms H was stopped by the police for driving without insurance and her car was impounded. She had to pay to have her car released and had to miss pre-paid events. When Ms H complained to One Call, it realised that it had been sending its correspondence to the wrong postal address. In acknowledgement of this error it contacted the police to tell it of this error and the police did not prosecute Ms H. One Call offered Ms H £100 for her distress and also to pay for her loss of earnings.

The adjudicator recommended that the complaint should be upheld because she thought that One Call was uncertain of Ms H's address but it continued to write to her rather than send her an email or make a telephone call. This meant that the photo card chaser, seven days notice and cancellation letters were all sent to the incorrect address, so Ms H was unaware of the policy cancellation. One Call told Ms H that it would refund £211.79 of her premium to her in its letter of 9 August 2013, but the refund was not actually processed until 8 September 2014. The adjudicator thought that this was unacceptable and unreasonable. Ms H also asked One Call for a copy of call recordings, but she has not received these. One Call has confirmed that Ms H paid the £10 information request fee, but it couldn't tell whether the call recordings had been sent to her.

The adjudicator thought that One Call should do the following:

- Pay Ms H £250 for the stress of being stopped by the police and for thinking she may have to attend court.
- Pay Ms H £20 for two days loss of use of her car.
- Refund the loss of earnings as it has already offered to do.
- Refund the impound fee, plus 8% interest.
- Refund the pre-paid event fee of £10.50, plus 8% interest.
- Pay the difference in premiums for having to buy more expensive insurance, plus 8% interest.
- Note on its internal file that the policy was cancelled in error by One Call.
- Contact the policy underwriter to let it know that the policy was cancelled in error.
- Supply Ms H with a letter of apology, confirming the internal file has been noted and the underwriter has been advised that the policy was cancelled in error.
- Send the call recordings that Ms H requested.

Ms H responded that she sought £3000 compensation. She wanted the full premium to be refunded and that any interest should not be taxed.

my findings

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

I can see that this has been a frustrating and stressful experience for Ms H. She has been stopped by the police, threatened with being taken to court, and incurred costs because of One Call's error. It has offered her £100 compensation, which she feels is an insult, and it took a year to refund her premium. It has taken over a year to sort this out, and Ms H has been left out of pocket. I can understand that Ms H feels that she has been put to considerable inconvenience by One Call's error and by its response to her complaint.

I find that One Call accepts that it has provided a poor level of service to Ms H. It sent all letters to Ms H to the incorrect address. I note, however, that the incorrect address was shown on the Statement of Fact and the Certificate of Motor Insurance, which Ms H downloaded, and the New Motor Policy letter which was emailed to Ms H when the policy was taken out. Unfortunately, Ms H did not notice the incorrect address on all three documents otherwise this problem could have been avoided.

Nevertheless, I find that I agree with the adjudicator's view that the address query could have been easily resolved by a phone call or email, but instead One Call continued writing to an address it was not sure was correct. This led to the unnecessary cancellation of the policy, causing Ms H upset and inconvenience when she was stopped by the police. She then had to purchase alternative, more expensive cover. I also find that taking over a year to refund Ms H's premium is completely unfair and unreasonable. Further, I find that Ms H has paid One Call's fee for her call recordings, but it has not sent them to her.

I note that, in order to put things right, One Call sent a letter to the police explaining its error and it has agreed to accept the adjudicator's recommendations for further redress to restore Ms H's position. Ms H, however, disputes that £250 is enough compensation for her distress. She seeks the full refund of her premium, for higher interest to be paid and for any interest not to be taxed.

I find that Ms H certainly suffered distress through being stopped by the police and the anticipation of attending court. But as the police dropped the matter, then I find that £250 is reasonable compensation as this is in keeping with the level of award that we would usually recommend.

Ms H seeks a refund of her full premium. One Call has explained that it has not charged Ms H a cancellation fee, but the insurer may have, in addition to a charge for her time on risk. The adjudicator has already explained that Ms H has to pay for the time that her car was insured, before the policy was cancelled, so the full premium would not be refunded. I find this to be fair and reasonable. I find that I am unable to consider a complaint about the cancellation charge applied by Ms H's insurer as this must first be raised with it directly. This is a Financial Conduct Authority regulation.

The 8% level of interest proposed by the adjudicator is this service's recommended rate and is taxable, which I find to be reasonable and I find that I do not require One Call to pay a higher rate of interest.

my final decision

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

1. Pay Ms H £250 compensation for the trouble and distress this matter has caused.
2. Refund the impound fee of £190 and add 8% per annum simple interest (less tax if properly deductible) from the date of payment to the date of refund.
3. Pay Ms H for loss of use of her car at this service's recommended rate of £10 per day for two days, totalling £20.
4. Refund Ms H's loss of earnings for 23 October 2013, as it has already offered.
5. Reimburse Ms H for the two pre-paid events that she could not attend, £10.50 in total and add 8% per annum simple interest (less tax if properly deductible) from the date of the events to the date of refund.
6. Pay the difference in premium as Ms H had to buy alternative cover that was more expensive, and add 8% per annum simple interest (less tax if properly deductible) from the date of payment to the date of refund.
7. Make a note in its internal file that Ms H's policy was cancelled in error by One Call.
8. Contact the policy underwriter to tell it that the policy was cancelled in error by One Call.
9. Send a letter of apology to Ms H, confirming that its internal file is noted that the policy was cancelled in error and that it has told the policy underwriter this.
10. Send the call recordings to Ms H as she has requested.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms H to accept or reject my decision before 6 February 2015.

Phillip Berechree
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