



<u>Decision Ref:</u>	2021-0441
<u>Sector:</u>	Insurance
<u>Product / Service:</u>	Car
<u>Conduct(s) complained of:</u>	Fees & charges applied Delayed or inadequate communication Dissatisfaction with customer service Failure to process instructions in a timely manner Lapse/cancellation of policy
<u>Outcome:</u>	Rejected

LEGALLY BINDING DECISION OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

The Complainant renewed a motor insurance policy with the Provider on **1 July 2018**. The Complainant cancelled this policy on **17 May 2019** by contacting the Intermediary, a wholly owned subsidiary of the Provider. This complaint concerns the manner in which the Intermediary processed the cancellation of the Complainant's policy. The Intermediary has responded to the complaint on behalf of the Provider.

The Complainant's Case

The Complainant telephoned the Intermediary on **17 May 2019** to cancel his motor insurance policy, as he had purchased new cover with a different insurer.

The Complainant says the Intermediary did not furnish him with written confirmation of the cancellation of his policy until the following day, **18 May 2019**, and that the actions of the Intermediary delayed the activation of his new policy with his new insurer, he says that this left him and his wife uninsured for a period of time.

In this regard, in his email to this Office on **17 May 2019**, the Complainant submits that:

" ... I moved today to [my new insurer] and could not activate my insurance until I was in possession of email confirmation of cancelled policy. I am still waiting for the email but after a rather enraged phone call to [the Intermediary] explaining that my wife is in effect driving an uninsured car committing an offence on the word that was

a pack of lies that it was the onus of [the new insurer] to ensure cover was in place - she could of if stopped be banned from driving or such or imprisoned in theory.

I immediately phoned her and she sat in the car for some time until [the new insurer] phoned me to confirm a representative was on from [the Intermediary] to say we cancelled the policy which was enough for them to ensure cover was indeed in place.

Because I had the sense to realise [the Intermediary] could not be trusted I avoided this happening and my wife avoided [committing] a criminal offence by ensuring the car was no longer being driven ...

Needless to say the serious accusation must be dealt with regarding a possible criminal offence due to games being played [by the Intermediary] and all because of a very obvious FU for taking your business away mentality by staff employed by the company and its agents”.

In addition, in his email to this Office on **13 June 2019**, the Complainant submits that:

“... We have been treated with total and utter contempt by [the Intermediary] and its agents and associated companies ...

I asked [the Intermediary by telephone] if there was [an] overlap from the time my policy was cancelled by [the Intermediary] to my new insurance company covering us driving the car, which I was told that the moment I told them to cancel I had no cover.

That is when [the Intermediary] stated that it was the onus of [my new insurer] to have me covered while waiting for the letter of cancellation to be received by [my new insurer] from [the Intermediary] which was issued over the weekend Saturday [18 May 2019] to be exact and of course could not be received as [my new insurer] was closed.

*That is when I phoned my wife telling her to stop driving.
My wife immediately stopped driving the car while I got confirmation that we were insured.*

My wife sat in the car at the side of the road until [my new insurer] confirmed a phone call from [the Intermediary] had been received by them.

And without that call technically we were not insured and as such my wife was committing a criminal offence.

It was also a day later the [cancellation] email was received by me but I assume could not be presented to [my new insurer] as it was over the weekend and unless I had phoned [the Intermediary] informing them of the serious nature of the little FU to an ex-customer which would result in suing them if there was...no phone

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call...forthcoming to [my new insurer] and we would have been driving an uninsured car on the road due to ignorance ...

The biggest complaint was the delay of issuing [an] email to confirm our policy was cancelled which is required by the new insurers to activate our new policy placing all parties insured in committing a criminal act.

If anyone was driving that car in the meantime they could of (sic) ended up in prison which is a serious matter and totally unacceptable.

I wish this matter looked into and investigated plus the whole mess and the matter that [the Intermediary] could of (sic) and did place my wife in the position of committing a criminal offence which we were totally oblivious to ... ”

In his email to this Office on **28 April 2020**, the Complainant submits that:

“... I remember I had [the Intermediary] on the phone as I had [my new insurer] on the phone asked [the Intermediary] to talk to the person telling me that the onus of [the new insurer] to cover me in absence of letter of cancellation from [the Intermediary] to activate my new policy with [my new insurer]. [The Intermediary] refused to talk to [my new insurer] regarding that matter ...

I got so heated that [my new insurer] rang me on another line to inform me [the Intermediary] had rang them and my policy was activated that evening.

This absolute endurance upset me greatly and went beyond professional behaviour and seemed just spite on [the Intermediary's] behalf.

The fact is that it had degenerated to that stage before [my new insurer's] policy was activated by [the Intermediary] and without that phone call I would have had no confirmation of cover over the weekend as the email was not sent on Friday evening as per the law”.

In addition, in his email to this Office on **24 May 2021**, the Complainant that:

“... [The Intermediary] through [its] malice put both myself and wife in a position that if we drove that car and my wife did we would be breaking the law.

Thank God no one had had a crash because without our insurance we could of (sic) gone to prison.

*So thank God I had the sense to phone my wife and get her to stop driving until [the new insurer] confirmed we were covered [and] that was around 4.30 that Friday [**17 May 2019**].*

And that's exactly what [my new insurer] did when [the Intermediary] under duress rang them after I told them that they would be sued if anything happened ...”

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In his email to this Office on **21 June 2021**, the Complainant submits that:

"... [The Intermediary's] whole customer service was a disgusting affair full of contempt towards the customer including placing customers leaving [the Intermediary] in a criminal position due to delaying the activation of their new policies due to delaying the email stating they had left [the Intermediary] required by the new insurance providers ..."

In addition, in his email to this Office on **26 August 2021**, the Complainant submits that:

"It seems [the Intermediary] seem to be lost in this. [It] was [its] staff that I had to deal with and [its] staff that put me in the position I had trouble stress and much disbelief as [the Intermediary] did not promptly issue [a policy cancellation confirmation] email so I could activate my new insurance. This resulted in my wife driving our car with no active insurance policy for a time. I had to phone her to inform her that we have no [cover] and she was breaking the law.

I am sure the staff in [the Intermediary] thought this was quite a jolly jape putting manners on this person who was changing insurance.

That email cancelling my insurance was issued on the Saturday [18 May 2019]. It was the threat of legal action against [the Intermediary] if an accident happened as they played a game.

The fact is [my new insurer] would not activate my new policy until [it] were in receipt of that email of cancellation [from the Intermediary].

[The Intermediary] caused me and my wife much stress by [its] actions which at one point included our car driven without insurance due to our ignorance of changing insurers.

We live in a rural location with no public transport of any standard unlike a city. We depend on our car and a whole weekend without driving that car is unacceptable. Hence having that email of cancellation in the hands of our new insurers before 5pm on the Friday evening [17 May 2019] at close of business.

As well as that, running a business as well requires the need to have an insured car to carry out ones duties of running ones business.

We have been treated in the most abominable manner by [the Intermediary's] agents employees in a most unprofessional and childish arrogant manner ...

If myself or my wife would have had an accident during that period of no insurance over that weekend we could of (sic) ended up in prison.

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This is the point [the Intermediary] do not get as [my new insurer] would not activate our new insurance policy until that [policy cancellation confirmation] email was received which is not a no claims bonus letter”.

In his email to this Office on **31 August 2021**, the Complainant submits that:

“What really is the worst part is the pure contempt these companies have for their customers. But to leave a customer in a position that they could of (sic) committed a criminal offence as a result of their actions is beyond contemptible”.

The Complainant sets out his complaint in the **Complaint Form** he completed, as follows:

“Leaving a person uninsured while change over by not issuing letter of termination on time due to spite as we went with other insurance company”.

The Complainant is also dissatisfied with the policy cancellation charge and other fees that were deducted from his premium refund, after the cancellation of his policy on **17 May 2019**.

Although there was reference to a previous issue concerning a key fob, it has been confirmed that this element was resolved and accordingly, this issue does not form part of this complaint investigation.

In his email to this Office on **13 June 2019**, the Complainant says he seeks from the Provider *“a satisfactory apology”* and *“compensation...for the time the stress and the total annoyance this has caused”*.

The Provider’s Case

The Intermediary, in responding to this complaint on behalf of the Provider, set out the following timeline of events in relation to the Complainant’s complaint:

On Friday **17 May 2019** at **14:50**, the Complainant telephoned its Customer Service Team to advise that he wanted to cancel his motor insurance policy. The Adviser informed the Complainant of the non-refundable €55.00 set-up fee and the €40.00 cancellation fee, as set out in the **Terms of Business** document that had been attached to the renewal invitation that was emailed to the Complainant on **7 June 2018**, and also advised that he would be charged for the days of cover used. The premium refund due was calculated to be €143.25. As he had several other queries, to ensure these were all addressed the Adviser told the Complainant at approximately **15:15** that she would call him back within an hour.

At **16:04**, the Complainant telephoned saying he wanted to cancel his motor insurance policy immediately and requested an email confirming the cancellation. The Adviser asked if the Complainant wanted her to outline the premium retained, where the policy is cancelled, however he said that he agreed to the cancellation fees and charges. The Adviser confirmed

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the policy would be cancelled with immediate effect, and that there was a return premium of €143.25 due.

The Complainant said he needed confirmation that his policy was cancelled in order to activate his policy with a new insurer. The Adviser outlined that the No Claims Bonus would be sent by email within the next hour and this would show that the policy was cancelled. The Complainant expressed concern that he would not be able to forward this No Claims Bonus to his new insurer, if it was received out of office hours. The Adviser informed the Complainant that insurance companies provide a timeframe for the requested documentation to be received, but in the meantime, the new policy would be active and he would be on cover. The Complainant said he would contact his new insurer to confirm this.

At **16:37**, a member of the Customer Assurance Team telephoned the Complainant in relation to emails he had sent to her directly, unrelated to the cancellation of the policy. The Complainant mentioned during this call that he was now left with no insurance. This call disconnected and when the Adviser returned the call, a voicemail was left for the Complainant to say that the cancelled No Claims Bonus would issue by email as soon as possible and this would act as proof that he had cancelled his policy.

At **17:00**, the cancelled No Claims Bonus was sent to the Complainant's wife's email address. The Intermediary notes that typically there is a 48-hour turnaround for this document to issue as it must be manually created, however as the Complainant had requested for it to be issued urgently, the cancelled No Claims Bonus was emailed to him as a priority and within one hour of his telephone call at **16:04** seeking to cancel his policy.

On **18 May 2019** the following day, at **11:03**, confirmation of the cancellation of the Complainant's motor insurance policy was emailed to his wife's email address.

On **21 May 2019**, a premium refund cheque in the amount of €143.25 issued to the Complainant.

On **23 May 2019**, a further premium refund cheque in the amount of €501.05 issued to the Complainant. The Intermediary explains that this additional refund was due because on the same day the Complainant cancelled his policy on 17 May 2019, he submitted a copy of an additional driver's new full licence, who had previously been added to the policy as a provisional licence holder. This change was backdated to the date the driver had received his full licence on 9 October 2018, but was only processed after the policy cancellation.

The Intermediary is satisfied that at all stages the correct information was provided to the Complainant in relation to the cancellation of his policy.

The Intermediary says that the advice given to customers who wish to cancel their policy can vary depending on the circumstances leading to the cancellation. For example, if a customer wants to cancel their policy because they are switching provider, the Customer Service Adviser will outline any premium that is retained due to the cancellation of the policy. They will advise the customer that a cancelled No Claims Bonus will issue to them

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within 48 hours, which they will need to provide to their new insurer. If there is an open claim on the policy, the Adviser advises the customer to make sure that the new insurer is aware of this open claim and to confirm that the new insurer will provide cover on that basis.

The Intermediary says that every insurer sets out its own timeframe for documentation requests from new customers and these do vary slightly. From its experience, the Intermediary says customers are usually provided with up to a month to submit their documentation.

The Intermediary says the Complainant's new insurer has confirmed that its procedure is to allow, in total, 31 days from the start date of the policy to send in any requested documents and that it provides cover in the meantime until such documentation is received.

The Intermediary notes that the Complainant submitted an email from his new insurer stating this timeframe is "*usually 10 days*". The Intermediary believes this is to encourage customers to submit documents sooner rather than later, and in fact if documents are not received by this time, then follow up communication would normally issue chasing the documentation before the eventual cancellation notice, informing customers that their policy will cancel, would be served.

In any event, the Intermediary says that both the above timeframes confirm that the Complainant was not left without motor insurance cover.

Furthermore, the Intermediary refers to correspondence the Complainant submitted from his new insurer dated **20 January 2020** that states:

"We can also confirm that the registration number of the vehicle insured at the inception of the policy on 17/05/2019 was [registration redacted]".

The Intermediary says this demonstrates that the Complainant was not left without insurance and had incepted his motor insurance policy with the new insurer on **17 May 2019**, the day he cancelled his policy with the Provider.

The Intermediary says that it has no record or policy notes of any telephone call being made to the Complainant's new insurer in relation to this matter and it notes that at no time during his telephone calls with it, did the Complainant state his new insurer was on another line.

The Intermediary is satisfied that at all stages in the cancelling of his policy, it furnished the Complainant with appropriate advice, responded to his correspondence, actioned his requests in a timely manner and provided him with documentation as requested.

The Complaint for Adjudication

The complaint is that the Provider through its Intermediary, provided the Complainant with poor customer service throughout the cancellation process of his motor insurance policy in May 2019.

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Decision

During the investigation of this complaint by this Office, the Provider was requested to supply its written response to the complaint and to supply all relevant documents and information. The Provider responded in writing to the complaint and supplied a number of items in evidence. The Complainant was given the opportunity to see the Provider's response and the evidence supplied by the Provider. A full exchange of documentation and evidence took place between the parties.

In arriving at my Legally Binding Decision I have carefully considered the evidence and submissions put forward by the parties to the complaint. Having reviewed and considered the submissions made by the parties to this complaint, I am satisfied that the submissions and evidence furnished did not disclose a conflict of fact such as would require the holding of an Oral Hearing to resolve any such conflict. I am also satisfied that the submissions and evidence furnished were sufficient to enable a Legally Binding Decision to be made in this complaint without the necessity for holding an Oral Hearing.

A Preliminary Decision was issued to the parties **28 October 2021**, outlining the preliminary determination of this office in relation to the complaint. The parties were advised on that date, that certain limited submissions could then be made within a period of 15 working days, and in the absence of such submissions from either or both of the parties, within that period, a Legally Binding Decision would be issued to the parties, on the same terms as the Preliminary Decision, in order to conclude the matter. In the absence of additional submissions from the parties, within the period permitted, the final determination of this office is set out below.

I note that the Complainant telephoned the Provider's Intermediary at **16:04 on 17 May 2019** to cancel his motor insurance policy, as he had purchased new cover with a different insurer. The Complainant says that the Intermediary did not furnish him with written confirmation of the cancellation of his policy until the following day, **18 May 2019**, and that the actions of the Intermediary delayed the activation of his new policy with his new insurer and left him and his wife uninsured for a period of time.

I note that the cancelled No Claims Bonus the Intermediary emailed to the Complainant at **17:00 on 17 May 2019** stated, among other things, that:

<i>"Re:</i>	<i>No Claims Bonus Statement for Car Policy Number ...</i>
<i>Policyholder:</i>	[The Complainant]
<i>Inception Date:</i>	<i>01/07/2018</i>
<i>End Date:</i>	<i>17/05/2019".</i>

This document confirms that the Complainant's motor insurance policy ceased on 17 May 2019. I am satisfied that the Intermediary, in emailing this document to the Complainant

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less than an hour after he telephoned at **16:04** on **17 May 2019** to cancel his policy, acted promptly in response when the Complainant indicated a level of urgency, and I do not accept that the intermediary was guilty of any delay in sending the Complainant written confirmation that the policy was cancelled.

In addition, I note that the following day, the Intermediary emailed the Complainant a cancellation confirmation letter at **11:03** on **18 May 2019** that stated:

"... We can confirm that your Motor Insurance policy was cancelled with effect from 17 May 2019 and if applicable, a refund will be issued to you in the coming days ..."

I am satisfied that the Intermediary, in emailing this correspondence to the Complainant the morning after he telephoned at **16:04** on **17 May 2019** to cancel his policy, did not delay in sending the Complainant the policy cancellation letter.

It should be noted that it is a motor insurance industry standard that where a customer purchases new motor insurance cover, that the new insurer will then seek certain documentation from the customer within a certain number of days or weeks, in order to confirm the basis on which cover has been offered.

In that regard, I note the Complainant has supplied this Office with correspondence from his new insurer dated 20 January 2020, which states:

"We are writing to confirm that the following documentation was requested from you at the inception of the policy on 17/05/2019:

- *A signed and completed proposal form*
- *A copy of your No Claims Bonus*
- *A copy of the cancellation letter from your previous insurer*

We can also confirm that the registration number of the vehicle insured at the inception of the policy on 17/05/2019 was [registration redacted]"

I take the view that this letter indicates that the Complainant had motor insurance cover with the new insurer on and from 17 May 2019. As a result, and in the absence of any evidence from the Complainant to the contrary, I accept the Intermediary's position that the Complainant was under cover with the new insurer on 17 May 2019, when he cancelled his policy.

I note the Complainant was asked by his new insurer when he incepted his new motor insurance policy on 17 May 2019 to submit documentation that included a cancellation letter from the Intermediary but in that regard, there is no evidence before me indicating that the Complainant was not lawfully on cover on 17 May 2019, with his new insurer. I do not accept that the cancellation letter from the Provider, through its intermediary, was required before his cover would be activated with his new insurer, As a result, the evidence before me does not bear out the Complainant's contention that the actions of the Intermediary left the Complainant and his wife uninsured for a period.

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Recordings of telephone calls have been furnished in evidence. I have considered the content of these calls and in particular those telephone calls relating to the cancellation of the Complainant's policy at **14:50**, **16:04** and **16:37** on Friday **17 May 2019**.

Having considered those recordings, I am satisfied that the different Advisers who dealt with the Complainant during those calls were at all times professional, courteous and patient, often in the face of adverse and challenging discourse from the Complainant.

I am also satisfied that each Adviser made great efforts to assist the Complainant by providing him with information such as the fees and charges that applied upon the cancellation of his policy as well as the timeframe for issuing the cancellation No Claims Bonus.

In particular, I note that during the telephone call that took place at **16:04** on **17 May 2019**, the Adviser assured the Complainant that while he had cancelled his cover with the Intermediary, his new insurer would have him on cover, notwithstanding that it had requested him to submit some documentation, as follows:

"I'm trying to say, [the new insurer] legally have to give you a timeframe to get in the documents. You can set up a policy with them straightaway from the start and be active right now, they give you a timeframe, we give 20 days, some policies, em, some insurance companies give 10 days, some give 15, it really does depend - "

I note that following his cancellation of his policy on **17 May 2019**, the Intermediary issued the Complainant with a premium refund in the amount of €143.25 on **21 May 2019**. In relation to the policy cancellation charges and other fees, I note the Intermediary had emailed the Complainant a **Renewal Invitation Pack** on **7 June 2018** the previous year. The cover letter to this Pack stated, amongst other things, that:

"... You'll find full details of your insurance policy and our terms of business in the attachment. Have a look and make sure they are correct. Let us know if they're not ..."

I note the 'Charges and Commission' section of the **Terms of Business** states in relation to private motor insurance that there is a €55 set-up/renewal charge and advises that:

"Once you have paid for your policy, our set-up/renewal fee is non-refundable".

In addition, this same section also clearly states there is a cancellation charge of €40.

I am therefore satisfied that the Intermediary appropriately advised the Complainant in writing, prior to the renewal of his policy on 1 July 2018, of the potential cancellation charges and other fees that would apply in the event of him choosing to cancel his policy midterm, and these were again correctly advised to him by telephone on 17 May 2019, prior to him proceeding to cancel the policy in question.

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Having regard to all of the above, I am satisfied that the evidence does not support the complaint that the Provider's Intermediary provided the Complainant with poor customer service throughout the cancellation process of his motor insurance policy. It is my Decision therefore, on the evidence before me that this complaint cannot be upheld.

Conclusion

This complaint is not upheld pursuant to **Section 60(1)** of the ***Financial Services and Pensions Ombudsman Act 2017***.

The above Decision is legally binding on the parties, subject only to an appeal to the High Court not later than 35 days after the date of notification of this Decision.



MARYROSE MCGOVERN
DEPUTY FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

22 November 2021

Pursuant to **Section 62** of the ***Financial Services and Pensions Ombudsman Act 2017***, the Financial Services and Pensions Ombudsman will publish legally binding decisions in relation to complaints concerning financial service providers in such a manner that—

- (a) ensures that—
 - (i) a complainant shall not be identified by name, address or otherwise,
 - (ii) a provider shall not be identified by name or address,and
- (b) ensures compliance with the Data Protection Regulation and the Data Protection Act 2018.