

The complaint

Mr W is complaining about the way monthly payments were taken which resulted in Acorn Insurance & Financial Services Ltd cancelling his car insurance policy.

What happened

Mr W took out a car insurance policy through Acorn – a broker. The insurance provider required him to pay an annual premium and Mr W needed to pay this at the start of the policy. Mr W wanted to pay for the policy through monthly instalments. To enable him to do so, he took out a finance agreement with a third-party finance provider – who I shall refer to as G. G paid the annual premium on Mr W's behalf and Mr W agreed in return to repay this in line with the terms of the finance agreement.

Mr W entered into a number of payment arrangements with G but a number of payments weren't taken. On one instance, this resulted in his insurance policy being cancelled. Mr W says this has caused him a significant amount of distress and inconvenience. He also said he'd lost money because he'd not been able to work due to the policy's cancellation or threat of cancellation.

I issued a provisional decision not upholding this complaint and I said the following:

"I should first set out that I acknowledge I've summarised Mr W's complaint in a lot less detail than he has presented it. Mr W has raised a number of reasons about why he's unhappy with the way Acorn has handled this matter. I've not commented on each and every point he's raised but, instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy by this, but it simply reflects the informal nature of this service. I assure Mr W, however, that I have read and considered everything he's provided.

I need to set out that, in this decision, I can only consider Acorn's action. Acorn acted as an insurance broker in this matter. Its primary responsibility was to arrange and administer the contract of insurance. Mr W also entered into a separate contract with G to finance the annual premium. It was G's responsibility – as the finance provider – to consider Mr W's ability to keep up with his monthly finance payments. It was also G's responsibility to assist Mr W if he came into financial difficulties and couldn't keep up with his monthly payments.

I can see that a lot of things have gone wrong in the way Mr W's payments were collected. But, as I said, I can only consider Acorn's actions in this decision. It appears that G was responsible for collecting the payments – not Acorn. I can also see that it seems to have been G's decision to cancel Mr W's insurance policy. And I can't hold Acorn responsible for anything G did or did not do.

I acknowledge that there were instances that Acorn wrote to Mr W chasing payment for amounts outstanding on the finance. But, regardless of the reason why the payments weren't taken, Mr W did owe this money, so I can't say it was unreasonable for Acorn to chase payment. It does also seem that it cancelled the insurance policy, but it did so on G's instructions. I haven't seen anything to show that Acorn has treated Mr W unfairly.

I acknowledge that Mr W has experienced a lot of distress and inconvenience over the course of the insurance policy and finance agreement. But it seems to me that Mr W's concerns primarily rest with regards to the actions of G. If Mr W is unhappy with anything G did or did not do, he'll need to raise that with G directly. Overall, I haven't seen anything to show that Acorn has caused Mr W any avoidable distress and inconvenience."

Acorn responded to say it didn't have anything further to add. Mr W didn't respond to my provisional decision.

What I've decided – and why

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

As neither party has given me anything else to think about, I see no reason to reach a different conclusion to the one I reached in my provisional decision. So I don't uphold this complaint for the reasons I set out in my provisional decision.

My final decision

For the reasons I've set out above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 September 2023.

Guy Mitchell

Ombudsman