

The complaint

Miss Z complains about how U K Insurance Limited trading as Privilege Car Insurance (“UKI”) handled the payments for her motor insurance policy.

What happened

Miss Z had a motor insurance policy with UKI covering her cars. She paid monthly instalments for the cover using a credit agreement and she made the actual payments by calling UKI.

In August 2022 UKI wrote to her and told her that her policy was about to be cancelled because she hadn’t paid her monthly premium. Miss Z says she didn’t get this letter until early October.

In September 2022 Miss Z spoke with UKI. They discussed the policy, which was still active, and UKI told Miss Z she still needed to pay the final part of her premium in October.

Miss Z said when she spoke with UKI in September, she asked it to take both of her final payments. She says UKI only took one payment.

In April 2023 she noticed a default notice had been applied by UKI because she’d missed the October payment. She paid the outstanding amount and asked that UKI remove the default. UKI said it wouldn’t be able to do this.

Miss Z remained unhappy and brought her complaint to this service. Our investigator looked into it and thought UKI had acted fairly.

Miss Z didn’t accept the view and asked that her complaint was reviewed by an ombudsman, so it has been passed to me to make a final 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.

Having done so, I have decided not to uphold Miss Z’s complaint. I’ll explain why.

Miss Z’s complaint covers two main areas – the first is that she asked UKI to take both payments in September; and the second is that UKI didn’t tell her about her missing payment, which resulted in her default.

I’ve listened to the call in question between her and UKI. In it I can hear her ask UKI if she could “make payment for this month”. The payment for September is taken and UKI told her a further payment (her final one) would need to be made the following month. I can hear Miss Z confirms she understands this.

So I don’t think Miss Z asked for both payments to be taken.

I can see UKI sent letters to Miss Z about the missing payment in December and January. I think it's fair I say UKI could have contacted Miss Z earlier, but I don't think it matters in this case. Miss Z has said she didn't receive either of the letters, but I can't say UKI are responsible for her not receiving them.

Miss Z had entered into a credit agreement to pay for her policy and she should have kept herself aware of the state of her account and ensured she made payments when they were scheduled.

In later correspondence with this service, Miss Z said she thought her policy had been cancelled in August so no further payments should have been needed. But she called UKI to make her further payment in September, so she was clearly aware the policy was active and she was required to make payment. Miss Z's further comments contradict her earlier approach and I don't find them useful.

It follows that I think Miss Z failed to pay her final instalment and UKI reasonably told her she'd missed it. I can't say the failure to notice the default or receive the reminders were UKI's fault. So I don't uphold this complaint and I'm not going to ask UKI to do anything.

My final decision

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 Miss Z to accept or reject my decision before 22 December 2023.

Richard Sowden
Ombudsman