

The complaint

Miss F complains about how Somerset Bridge Insurance Services Limited, trading as 'Go Skippy' cancelled her motor insurance policy.

Somerset Bridge acted in capacity as an intermediary/broker here.

What happened

The background to this complaint is well known to both Miss F and Somerset Bridge. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

Miss F had a motor insurance policy which she paid for by a separate finance agreement with a different third party business. On 13 October 2021, Miss F missed a payment.

Somerset Bridge let Miss F know that she'd need to make payment, both in writing and via SMS by 20 October 2021 at 5pm - or the policy would be cancelled. Miss F called Somerset Bridge and they say she was given the contact details for the finance provider. On 21 October 2021 the policy was cancelled as payment still hadn't been made.

On 27 October, Miss F got in touch with Somerset Bridge to make the payment but was unhappy as she said she'd not been told that the policy would be cancelled and she'd been unable to make payment. Somerset Bridge let her know that the outstanding balance of, £255.17 was now due. This consisted of the monthly instalments due and associated cancellation charges. Somerset Bridge later offered to waive the £75 cancellation fee.

Miss F complained that she wouldn't be paying the outstanding debt (£180.17) and that she hadn't received or signed the terms of business when she took this policy out. Somerset Bridge offered a repayment plan for Miss F to repay the outstanding debt.

Somerset Bridge didn't uphold the complaint and Miss F referred it to our Service for an independent review. Our investigator upheld the complaint and, as Somerset Bridge didn't accept their recommendations, the complaint was referred to me for a decision.

I recently sent both parties a copy of my provisional, intended findings outlining why I didn't intend to uphold this complaint. As the deadline for responses has now passed, I've reconsidered the complaint for 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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service. My decision only considers the actions of Somerset Bridge here and the cancellation of this policy addressed in the final response letter dated 25 November 2021 - not any debt collection afterwards or the actions of any third party business – such as the credit provider.

Both parties have had an opportunity to respond to my recent provisional decision. Somerset Bridge haven't responded by the deadline set, but Miss F did. I've summarised her responses below:

- She'd been advised by Somerset Bridge to call back once payment had been made to remove the chaser. She thought they'd have made a note to allow her time to get hold of the finance provider.
- Miss F did have evidence of her calls to the finance company - but was never asked for this.
- The cancellation times fluctuated compared to the previous month when a payment was late.
- She wasn't given the terms and conditions.
- She wasn't experiencing negative financial changes. She always made payment around the 20th of each month as that was when she got paid.
- She let Somerset Bridge know she couldn't get through to the finance company, but this was after the cancellation.

Unfortunately for Miss F, her further comments don't change the outcome I've reached. I won't comment in depth on each point raised as I've (broadly) already made findings on these issues.

Miss F unfortunately presumed that Somerset Bridge would do something they didn't and - in my opinion, didn't need to do here. The call note from 20 October (referenced later in the decision) refers to Miss F needing to call Somerset Bridge when payment was made. No reference is made to extending the deadline to allow more time to contact the finance provider. Therefore, the original deadline stood.

As already explained, I'm satisfied the consequences of non-payment were made clear and, even in a scenario where Miss F didn't read the terms and conditions, it's not been disputed that she received the necessary communication from Somerset Bridge (email, sms or letter) that outlined what would happen.

I'm not considering the terms of the finance agreement with the third-party company, but Miss F entered into a contract of insurance here too and I've seen no evidence that she raised the payment dates as an issue or raised this with Somerset Bridge or the finance company.

As no new evidence has been provided that materially changes the outcome of this complaint, my findings from my provisional decision are still relevant here.

The terms of this policy allowed Somerset Bridge to cancel the insurance policy where the policy holder failed to make payment:

"We reserve the right to cancel this Policy immediately on written notice in the event of non-payment of the premium. If You are paying the premiums monthly and You fail to pay an instalment when due, or fail to maintain a Direct Debit Mandate and such default is not corrected within the time permitted by the Consumer Credit Act 1974, the whole of the outstanding balance will become due and payable. If this sum is not paid within seven days, the insurance cover will be cancelled. [Bold added for emphasis by Ombudsman]"

Whilst the terms may allow the action Somerset Bridge have taken here, I still need to consider what is fair and reasonable in all the circumstances of the complaint. (DISP 3.6.1).

I've carefully considered what Somerset Bridge have said, including:

"....the customer called us the day before her policy was set to cancel. The fact that the customer called us shows they were aware, and that the steps we took allowed them... more than enough time, and were effective enough, to contact us and take rectifying action."

Miss F has argued that she didn't know the policy would be cancelled until she contacted Somerset Bridge and was told the policy had been cancelled on 21 October. But I've seen a copy of a letter dated 13 October 2021 which clearly outlined the deadline of 20 October 2021 at 5pm and what Miss F needed to do before then to avoid cancellation. Evidence has also been provided that Somerset Bridge sent a text message on 13 October at 15.31 alerting Miss F to an important email and that she needed to take action to remain covered.

I've also considered call notes from a conversation Miss F had with Somerset Bridge on 20 October which stated: *"gave ph [policy holder] number to call [finance company name redacted by Ombudsman] and inf once pmt made must call us so we can remove chaser"*.

Although Miss F has said she wasn't made aware of the cancellation terms when she took this policy out, I'm satisfied that the policy terms and terms of business made this information sufficiently clear and Somerset Bridge have said the information would've been sent to her as well as being available on the customer portal.

Overall, I'm satisfied that Miss F was provided with the relevant information here and she ought to have been reasonably aware that the policy would be cancelled if payment wasn't made by the deadline given.

That said, I find that the actions of Somerset Bridge in cancelling this policy seven days after the missed payment to be unfair. I say this because I'd expect to have seen Somerset Bridge give Miss F a fair opportunity to sort things out before it cancelled the policy seven days later.

I've then considered whether – in the specific circumstances of this complaint if it would have likely made a difference to the end result here – if Miss F had been given more time. That is, would Miss F have likely made payment if she'd had longer before the policy was cancelled?

For example - if she'd had fourteen days instead of seven. Based on what I've seen, on balance, I don't think it would have made a difference. I say this because:

- in her complaint form, Miss F has said she was late making payment as she was waiting to get paid and (after my provisional decision) she has confirmed that she wasn't experiencing a negative change in her personal financial circumstances; and
- whilst Somerset Bridge told Miss F to call the finance company, she says she was unable to get hold of them. But to date, she hasn't provided supporting evidence of her attempts to contact the finance company prior to the deadline. I'd reasonably have expected if she was aware of the consequences of not making payment by the deadline and she'd been unable to get through to the finance company she'd have let Somerset Bridge know or produced proof of this when this complaint event first arose.
- As referenced above, if paying on a certain date was going to be an ongoing issue, a

reasonable amount of responsibility rested with Miss F to let either Somerset Bridge or the finance company know.

It follows that in the specific circumstances of this complaint, although I find that Somerset Bridge acted prematurely when cancelling this policy seven days after the missed payment, they don't need to do anything further to put things right here – for the reasons I've outlined above.

Other points raised

Somerset Bridge waived the £75 cancellation fee and I find this to be fair. As outlined by our Investigator, other charges are still relevant as set out in the terms of business that Miss F agreed to when taking out this policy.

The offer of a four month repayment plan was also fair and reasonable. If the debt remains outstanding, Miss F should make arrangements with Somerset Bridge to agree a way forward.

Miss F expressed dissatisfaction with the service provided by Somerset Bridge, but I've not seen sufficiently persuasive evidence to conclude that the service provided was poor to the extent that compensation would be appropriate for this reason.

My decision will disappoint Miss F, but it brings to an end our Service's involvement in trying to informally resolve this dispute between her and Somerset Bridge

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 1 August 2023.

Daniel O'Shea
Ombudsman