

## **The complaint**

Ms H complains that U K Insurance Limited cancelled her motor insurance policy.

## **What happened**

Ms H had a large sports utility vehicle, first registered in about 2019.

She had it insured on a policy with UKI for the year from April 2023. The yearly cost including interest was going to be about £2,700.00, payable by instalments of about £226.00 on direct debit.

When an instalment fell due in July 2023, UKI asked for payment, but it failed.

On 10 and 11 August 2023, Ms H spoke to UKI by telephone.

On 3 September 2023, UKI sent a seven-day notice of cancellation.

UKI confirmed that it had cancelled the policy on 18 September 2023.

In October 2023, Ms H paid the instalment. UKI declined to reinstate the policy.

Ms H complained to UKI that it was too expensive to get cover with another provider.

By a final response dated 23 October 2023, UKI said that its handling of the call on 10 August 2023 had fallen below the standard it would expect. It said it had sent Ms H £200.00.

Ms H asked us to investigate.

Our investigator didn't recommend that the complaint should be upheld. She thought that UKI had cancelled the policy in line with the policy terms.

Ms H disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She said, in summary, that the voice recordings related to the business in question were still outstanding.

The investigator sent Ms H the call recordings and gave her a final deadline for any further comments.

## **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.

UKI's policy terms included the following:

*"What happens if we can't collect your payment*

*If we have been unable to collect the instalment payment(s) due under your credit agreement on the date(s) due, we will write to you in order to give you the opportunity to make the payment(s).*

*If any instalment amount remain(s) unpaid by the date we set out in our letter, we will give you 7 days' notice that we will cancel your policy, and inform you in writing when this cancellation has taken place."*

I accept UKI's evidence that it tried unsuccessfully to take payment on three occasions between early July and early August 2023.

UKI emailed Ms H about the missed payment.

From the recording of the call on 10 August 2023, I find that Ms H had received the email. I note that UKI made clear that if she didn't pay the outstanding balance, it would cancel the policy.

I accept that UKI could've handled that call better, for example by not talking while Ms H was talking.

I'm satisfied that UKI's later payment of £200.00 was at least as much as I would've found fair and reasonable for the distress and inconvenience caused to Ms H by the shortcomings in its handling of the call on 10 August 2023. I consider that Ms H's upset from this was short-lived. She spoke to UKI again the next day.

From the recordings of the call on 11 August 2023, I find that UKI reduced future payments to about £188.00 by amending a record of a claim from 2021 and by amending the excess. UKI also changed the payment date to later in the month.

I accept that UKI sent new documents including a new payment schedule. But I don't accept that Ms H had any reason to think that this excused the payment outstanding from July 2023. UKI had told her on 11 August that she needed to make that payment by 20 August 2023.

UKI sent the cancellation notice in early September 2023. I accept that Ms H was away and didn't receive it until later, but I don't hold UKI responsible for that.

From what she has said, Ms H couldn't, at that time, pay the missed instalment of about £226.00 or the next instalment of about £188.00.

I conclude that UKI cancelled the policy fairly and in line with its terms. So, whilst I accept that Ms H was left with a vehicle she was unable to insure at an already difficult time for her, I don't find it fair and reasonable to direct UKI to reinstate the policy or to do any more in response to this complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct U K Insurance Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 18 March 2024.

Christopher Gilbert  
**Ombudsman**