

## **The complaint**

Mrs G complains that Skyfire Insurance Company Limited ("Skyfire") cancelled her car insurance policy.

## **What happened**

Mrs G had a car insurance policy with Skyfire that started in March 2022.

She paid an initial deposit amount, then monthly instalments using Direct Debit.

Skyfire had to request payment twice for her monthly instalments each month from April to June.

In July, it also experienced problems collecting payment. It emailed Mrs G on 3 August and told her it would cancel her policy in 14 days if it couldn't collect the missing instalment.

Mrs G says she didn't receive the email telling her this.

Skyfire cancelled the policy and confirmed this by emailing to Mrs G. She had been away on holiday. She received the email when she returned to the UK, and this was after the policy had been cancelled. She complained to Skyfire. It said it would waive its cancellation fee but it said it thought it had acted fairly.

Mrs G brought her complaint to this service. She says she had to take out another policy at short notice which had cost her more. Our investigator looked into Mrs G's complaint and thought it wouldn't be upheld. He thought Skyfire had acted fairly and had reasonably told her what it was going to do.

Mrs G didn't agree with the view. Because she didn't agree, this complaint 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'm not upholding Mrs G's complaint and I'll explain why as I appreciate this will be a disappointment to her.

Mrs G has told this service that her account had the correct amount in it at the correct time.

Skyfire has also said it tried to collect the instalment and requested payment from Mrs G's bank.

In later correspondence with this service Mrs G has also said she'd repeatedly tried to change the date payment was taken from the account by Skyfire. She's also mentioned the poor quality and inconsistency of the information Skyfire sent her. I can't see that she's raised this as a specific issue in her complaint, or that Skyfire has responded to it, so I'm not

able to consider it further here.

Skyfire has also sent this service copies of the relevant correspondence it sent Mrs G and I can see the email it sent her telling her that her account was missing a payment and that it would cancel her policy if it wasn't received. It had also sent a text message to her phone telling her it had sent her an important email about the July missed payment.

Mrs G has said she can't find that email and has questioned whether it was sent. But Skyfire supplied the email to this service, and I've seen no evidence to say it wasn't sent.

Under its policy terms and conditions, Skyfire is able to cancel Mrs G's policy with seven days' notice.

I think Mrs G reasonably had time to make payment to Skyfire, or at very least contact it to make it aware. Mrs G has told this service she was on holiday around this time, but given the payment issues she'd had over the course of the previous few months I don't think it's unreasonable to say I think she needed to keep a close eye on her account to be able to check that the payments had been made to Skyfire.

In her correspondence with this service, Mrs G has raised previous decisions made by an ombudsman at this service as examples of times when an insurer has cancelled policies unreasonably. I've looked at the cases she's mentioned and they don't necessarily relate to what went on between Mrs G and Skyfire. This service reviews complaints on a case-by-case basis. Having looked at the file of evidence, I think Skyfire acted reasonably in the way it tried to contact Mrs G, and the way it then moved to cancel her policy.

Taking everything into account, under its terms and conditions Skyfire are allowed to cancel Mrs G's policy, regardless of the situation with Mrs G's payments. It did this with 14 days' notice rather than seven, so I think it acted fairly and it reasonably told her what would happen if it didn't receive payment.

I can also see Skyfire waived the cancellation charge when it sent Mrs G its final response and I think this is fair and reasonable.

I can't say Skyfire has acted unreasonably and so I can't uphold this complaint.

### **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 Mrs G to accept or reject my decision before 15 December 2023.

Richard Sowden  
**Ombudsman**