

The complaint

Mr W complains about how Policy Excess Insure Ltd (PEX) handled the setting up and cancelling of his car insurance policy.

What happened

PEX is the broker for Mr W's car insurance policy, which he bought through an aggregator site. Before the policy started PEX called him to carry out a validation check on the information provided. In the call PEX also asked Mr W if he had any CCJ's to which he said he hadn't.

The insurer later identified that Mr W had three undisclosed CCJ's and asked PEX to cancel the policy on its behalf, as it said it wouldn't provide cover for Mr W. PEX issued Mr W with a seven-day notice of cancellation via e-mail. Mr W didn't see this until a few days later, however, he called PEX on the day the policy was due to be cancelled and was informed it had already been cancelled.

Mr W didn't think this was fair and complained, he said he hadn't been given the seven days' notice as he should have and didn't think the letter was clear enough. He also said he'd been told he'd get a refund of premium from the insurer, but PEX has said he owes it money.

PEX reviewed the complaint and didn't uphold it. It said due to the validation checks the insurer had increased the premium before the policy started and that this wasn't something it was responsible for. It also said Mr W had agreed to its terms of business and the charges applied when the policy cancelled were in line with the terms of business. PEX also said it had issued the seven-day notice of cancellation as it should have. Mr W didn't agree and brought his complaint here, he didn't agree he'd failed to declare the CCJ's as he wasn't aware of them.

Our investigator reviewed the complaint and ultimately didn't uphold it. She found that PEX had let Mr W know the policy premium may change following the validation checks and that it had issued the seven-day notice of cancellation as it should have. She also found the policy cancelled at 23:59 on the sixth day following the cancellation notice, and so it had cancelled in seven days' time as Mr W had been notified. She also found the charges applied by PEX for cancelling the policy were in line with its terms of business.

Mr W didn't agree for similar reasons. So, the complaint has come to me to decide.

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.

I feel it would help to explain what I can and can't consider in this complaint. Mr W has raised concerns about his car insurance policy and how much he owes PEX. The decision to cancel Mr W's car insurance policy was done by the insurer, also the return of premium is set by the insurer. Mr W chose to pay for his policy monthly through a credit agreement with

another company, who also charged a cancellation fee. The charges by the insurer and finance provider, and the decision to cancel, aren't ones PEX made. I'm therefore unable to consider them in this decision.

Its terms of business say PEX will carry out a validation check before the policy goes live and that the check may result in a premium increase. I can see this was carried out and Mr W did incur a premium increase. I understand Mr W is unhappy about the premium increase, however as that was applied by his insurer it's not something I can make a finding on in this decision.

PEX has also shown that the insurer identified three undisclosed CCJ's and asked PEX to issue a seven-day notice of cancellation. PEX has provided a copy of the e-mail it sent Mr W and the attached letter which says his policy will be cancelled in seven days' time. And while I can't see if another notice of cancellation was sent, I am aware Mr W received this and called PEX to question it. Mr W said this was due to the letter implying the cancellation could be stopped. I do think the letter could have been clearer and it would have been good industry practice for Mr W to have been sent more than one notice of his policy being cancelled. However, Mr W spoke with PEX on the sixth day and so he was aware his policy was going to cancel before it did.

Mr W also said PEX told him in the call that his policy had already been cancelled, however I can see the policy didn't cancel until 23:59 that night. I'm therefore satisfied Mr W's policy cancelled in line with the notice he received in writing. So, even if incorrect information was given during the call, I don't believe that PEX needs to do anything else.

I've also looked at the charges PEX has applied to Mr W's policy. PEX has charged Mr W a £75 cancellation fee and £180.94 commission claw back. I've checked the terms of business and can see the cancellation fee is clearly set out and says it is £75. The terms also explain PEX will retain 15% of any premium refund, as a commission rebate. So, while Mr W doesn't agree with what PEX has charged, I'm satisfied it's applied the charges in line with its terms of business and that the amount it will retain was clearly explained when he bought the policy. I'm therefore not going to tell PEX to do anything else.

My final decision

For the reasons explained above, my final decision is 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 10 November 2023.

Alex Newman
Ombudsman