

The complaint

Mr U complains that Wakam mishandled his car insurance policy.

What happened

Mr U had a car, first registered in about 2006.

For the year from 9 July 2023, Mr U took out a policy for the car. The policy was branded with the name of an insurance intermediary. The insurer was Wakam, a company based in France and offering “white label” insurance including in the United Kingdom.

Mr U paid a deposit or first instalment. He entered into an agreement with a finance provider to borrow the balance payable for the year.

In late July 2023, Mr U reported that an incident had damaged the 2006 car.

On 12 August 2023, Mr U tried to do a change of vehicle on the policy so as to remove the 2006 car and add a car first registered in 2007. The intermediary said that the 2007 car didn’t meet the underwriting criteria.

By a notification dated 23 August 2023, the intermediary confirmed cancellation of the policy.

On about 24 August 2023, Mr U complained to the intermediary.

By a final response dated 25 August 2023, the intermediary summarised the complaint as follows:

“Our understanding is you were unhappy about the following points:

- 1. You are unhappy that your policy was cancelled further to your declined change of car request. You mentioned that you never requested that your policy be cancelled and were only enquiring about this.*
- 2. You felt that our cancellation withdrawal and re-issuement was confusing, causing you to not send in the information we requested to keep your policy from cancelling.*
- 3. You’ve not heard back regarding your ongoing claim.*
- 4. You mentioned in your email that you felt your credit agreement was cancelled in error and that your policy cancellation by our Customer Experience Specialist was to cover this mistake.”*

The final response didn’t uphold the complaint.

Mr U brought his complaint to us in late October 2023. His complaint form added that someone had stolen the damaged 2006 car from a garage.

The complaint form asked for the following remedies:

“Making good: For them to reinstate the policy from when it was cancelled and so I can claim on it if I want to or cancel it by myself if I want to as there was no payment or other defaults by me before this incident. Remove all records of their policy cancellation from my insurance records. Pay damages for all the distress they have caused me through the mishandling of the enquiry, cancellation of my credit and policy, threats, notices, ultimatums, false statements, lack of duty of care, insensitivity loss of cover on my car, etc, as the Ombudsman deems fit.”

By an email dated 8 November 2023, Mr U told us that the intermediary had tried to take money from his account and had instructed a debt recovery agency that was harassing him to pay an outstanding balance.

We have dealt with the complaint as against Wakam, which was ultimately responsible for dealing with any claim or cancellation.

Our investigator said that she couldn't look into the debt recovery as it was a new event and Wakam hadn't considered it. Otherwise, the investigator didn't recommend that the complaint should be upheld. She thought that Wakam had acted fairly and reasonably and in line with the terms and conditions of the policy.

Mr U disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- He did not make or progress a claim.
- He reported an incident. The intermediary sent him a rescue vehicle under a roadside assistance policy.
- The intermediary cancelled the finance agreement without his consent. That is what caused the whole problem.
- They first sent a one- day cancellation notice on 12 August.
- Then on 14 August, they sent a one-week cancellation letter if he didn't send the V5 document.
- On 15 August, they withdrew the cancellation notice dated 14 August. They said that he had brought his policy up to date. The withdrawal notice was just intended to confuse.
- Two minutes later, they sent another cancellation notice. That active cancellation notice was a 6- day notice and not 7 as the contract required.
- He didn't see that notice because it was hidden in another email chain. Clearly it was intended that he should not see it. Otherwise it would have been sent on the same email chain as the withdrawal notice and would have clearly stated that it was withdrawn for such and such a reason and would be re-sent shortly.
- These four notices were confusing and conflicting and so cannot stand as sufficient notice.
- After the policy had been cancelled, he asked why. They said they had sent another notice of cancellation. He went to search for it and found it.
- That the car was stolen does not mean it cannot be claimed on. It was insured against theft. He would rather claim against the theft of his car than make a fault claim that will negatively affect his insurance records.
- He has suffered mental, physical and financial agony because of these treatments

from them and still does.

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.

Much of the complaint is about acts or omissions of the intermediary on behalf of Wakam. Insofar as I hold Wakam responsible, I may refer to them as acts of omissions of Wakam.

The policy covered the 2006 car. From the policy schedule, I see that Mr U also had breakdown cover through the intermediary.

The policy terms said that Wakam or the intermediary could cancel the policy for a good reason by giving seven days' notice by post or email. The policy terms said that there would be no refund of premium if a claim that is non-recoverable had been, or was likely, to be made.

From the intermediary's file, I accept that, on 27 July 2023, Mr U reported an incident in which the 2006 car hit an object in the road. I consider that this was an accident rather than a breakdown. And Mr U asked for the recovery of the 2006 car. So I consider that he had made a claim on the motor insurance policy, rather than on the breakdown cover.

Wakam had incurred an outlay on the recovery. From the circumstances Mr U had reported, the claim was likely to be non-recoverable from any third party.

From its file, I see that on about 10 August 2023, Wakam decided that the 2006 car was a total loss.

I accept Wakam's evidence that insuring the 2007 car was a risk that it considered unacceptable.

From the transcript of the live chat, I see that on 12 August 2023, the intermediary cancelled the finance agreement. That was in response to Mr U's question about the cost of cancellation. So Mr U thought it was premature, and I can see why.

However, I don't consider that the cancellation of the finance agreement was irreversible at that time. And I don't accept Mr U's view that this is where all the trouble stemmed from.

The intermediary understood Mr U to be saying that he no longer wanted to insure the 2006 car. But Mr U hadn't said that he wanted to cancel the policy.

By an email dated 12 August 2023, the intermediary said that if Mr U didn't cancel the policy, it would cancel the policy on 13 August 2023. I consider that this was a notice of cancellation, but the notice was not long enough to be in line with the policy terms.

By an email dated 14 August 2023, the intermediary said the following:

*"If you do still own this car, can you send a copy of your V5C document confirming you're the registered keeper of [the 2006 car] before the end of 21/08/23 pleas?
If we don't receive this document, we will need to proceed with your cancellation."*

By an email dated 15 August 2006, the intermediary told Mr U it had withdrawn a cancellation notice. It said that this was because he'd brought his policy up to date, which I consider inaccurate. Nevertheless, Mr U knew he hadn't sent the V5.

The intermediary's further email slightly later on 15 August 2023, included the following:

“Reason for cancellation. We require proof of car ownership. Deadline to correct the problem 23:59 on 21/08/23.
Your policy for [2006 car] is due to cancel on 22/08/23 at 00:00”

I don't accept that the emails were intended to confuse Mr U or hide the notice of cancellation. The intermediary sent the emails to Mr U's correct email address.

I'm satisfied that the notice of 15 August 2023 was a seven-day notice of cancellation and in line with the policy terms.

So I don't find it fair and reasonable to direct Wakam to reinstate the policy. In any event, I don't see how that would help Mr U.

His claim for damage to the 2006 car from the incident reported in late July 2023 had progressed to the point where Wakam had decided the car was a total loss. His prospective claim for theft of the damaged 2006 car would've been an alternative and not an additional claim.

Either claim was unlikely to be recoverable. So on either claim, Mr U would've had to pay (or suffer deduction of) the balance of the premium for the year and cancellation fees.

I haven't found the cancellation unfair. So I don't find it fair and reasonable to direct Wakam to change the way it has recorded its cancellation of Mr U's policy nor to pay Mr U compensation.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 24 May 2024.

Christopher Gilbert
Ombudsman