

The complaint

Mr H is unhappy with the charges applied by One Call Insurance Services Limited (One Call) after the cancellation of his home insurance policy.

What happened

Mr H purchased a home insurance policy online via One Call on 5 December 2022. The policy started the following day.

On 8 December 2022 One Call wrote to Mr H to say that following checks, they'd identified a claim which hadn't been recorded on the policy. They'd added this, and it had generated an additional premium due of £11.20 and an administration fee of £39. One Call said they'd collect this in the next 14 days.

Mr H says he didn't receive this letter until 20 December 2022 and couldn't contact One Call until the following day. This meant by the point Mr H contacted One Call, the policy was outside the 14-day cooling off period from when it was first taken out. Mr H is unhappy with the charges being applied by One Call following cancellation.

As a gesture of goodwill, One Call removed the cancellation fee of £55.99 and the broker fee of £39. They said this left a balance payable of £88.65.

As Mr H remained unhappy, he approached this service.

One of our investigators considered the complaint and upheld it. He said it wasn't reasonable for One Call to send a letter rather than email about the increase in premium as this meant Mr H couldn't respond until after the 14-day cooling off period had expired.

The investigator also clarified there was a typo in One Call's final response, and the balance payable was actually £49.65 rather than £88.65. He said that it was unfair for One Call to have demanded a payment of £88.65, and he recommended One Call pay Mr H £100 compensation for the distress caused and the service Mr H had received.

Mr H agreed with the investigator's recommendations. However, One Call didn't respond by the deadline given, so the case was passed to me for a final decision.

I was minded to reach a different outcome to our investigator, so I issued a provisional decision, to give both parties an opportunity to comment on my initial findings, before I reached my final decision.

What I provisionally decided – and why

In my provisional decision, I said:

"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've reached a different outcome to our investigator. So, I'm issuing a provisional decision, to give both parties an opportunity to comment on my initial findings before I reach my final decision.

After Mr H took out the insurance policy online, One Call identified a claim in 2021 which hadn't been added. After adding this, it generated an additional premium of £11.20, with an admin fee of £39.

One Call wrote to Mr H on 8 December 2022 to tell him that the additional amount of £50.20 would be taken in 14 days. Mr H says he didn't receive this letter until 20 December 2022, and he couldn't contact One Call until the following day, which meant it was more than 14 days after the policy was taken out, and outside of the cooling off period.

Mr H says he should have been emailed about the additional premium, which would have given him time to challenge it before the cooling off period expired. Mr H is also unhappy that there wasn't a contact number in the letter.

Our investigator said that he thought One Call should have emailed the document, and he noted it didn't include a telephone number to contact them.

However, having seen the letter, this directs Mr H to an online chat function, so it does contain contact information for One Call. Given Mr H purchased his policy online, I can't see that his previous communication with One Call was via telephone either. But if this is how Mr H wished to communicate on receipt of this letter, he could either have reviewed his policy documents for a phone number, albeit he may have needed to be transferred internally depending which number he called, or he could have carried out an online search for the telephone number.

But in any event, regardless of the method it was sent, email or letter, and whether it was received before or after the cooling off period expired, I can't see that this has caused Mr H any detriment. And I think he's in exactly the same position he otherwise would have been in either way. I'll explain why by comparing pre and post cooling off period cancellations.

Cancellation outside the 14-day cooling off period

In the final response issued by One Call, they said the cancellation charges were broken down as follows:

<i>Cost for days insured</i>	<i>£13.82</i>
<i>Policy enhancements</i>	<i>£49.99</i>
<i>Broker fees</i>	<i>£39.00</i>
<i>Cancellation fee</i>	<i>£55.99</i>
<i>Total cancellation cost</i>	<i>£158.80</i>
<i>Total paid to date</i>	<i>£14.16</i>
<i>Cancellation cost minus paid to date</i>	<i>£144.64</i>

One Call waived the broker and cancellation fees as a gesture of goodwill, and they said the remaining amount payable after that was £88.65.

However, One Call confirmed to this service that there was a typo in the final response and the calculation based on the above (after waiving the broker and

cancellation fee) should have been £49.65. So, the actual charges for cancellation were:

<i>Cost for days insured</i>	£13.82
<i>Policy enhancements</i>	£49.99
Total cancellation cost	£63.81
<i>Total paid to date</i>	£14.16
Cancellation cost minus paid to date	£49.65

Therefore, the only charges being applied by One Call are days on cover, and the Policy Enhancement, which is Home Emergency cover. This additional cover is non-refundable if the policy is cancelled beyond the 14-day cooling off period and this is outlined in the policy terms.

Therefore, if the policy was cancelled with effect from after the 14-day cooling off period, as is the case here, the balance due is £49.65.

Cancellation within the 14-day cooling off period

Mr H says he should have been emailed about the additional premium rather than written to by letter. And if he had been, then he says he'd have been able to cancel within the 14-day cooling off period.

However, I don't think Mr H would have been in a better position had this happened. I'll explain why.

If the policy is cancelled within 14 days, then the policy enhancements (home emergency cover totalling £49.99) wouldn't have been charged in full. So, this wouldn't have been included within the cancellation charges like it was post cooling off period.

However, if the policy is cancelled within the cooling off period, in line with the policy terms, One Call would charge a policy set-up fee of £49.99 to take into account the costs associated with arranging the policy. So, the breakdown within the cooling off period would have been as follows:

<i>Cost for days insured</i>	£13.82
<i>Set- up fee</i>	£49.99
Total cancellation cost	£63.81
<i>Total paid to date</i>	£14.16
Cancellation cost minus paid to date	£49.65

One Call wouldn't have needed to waive any fees during this time as there would have been no reason to do so, they only did post cooling off period due to Mr H's dissatisfaction. But they were under no obligation to do so. So, the set-up fee would have fairly been applied by One Call if the policy had been cancelled within the 14-day cooling off period.

Therefore, by One Call waiving the post cooling off period admin and cancellation fees, this puts Mr H in exactly the same position had the policy been cancelled either before or after the 14-day cooling off period had expired. So, I don't think One Call has treated Mr H unfairly as he is in the same position either way.

Time on risk and policy cancellation

I also don't think it's unreasonable for time on risk to be charged, as the policy was in force until it was cancelled and would have provided cover if any claims had arisen. And the policy terms explain that time on risk would be charged in the event of cancellation, and I don't think that is unreasonable or unusual.

Furthermore, I'm satisfied the time on risk charge would also have been the same if One Call had emailed Mr H rather than sent a letter, as the policy wasn't actually cancelled until 7 January 2023. This is because, when Mr H did contact One Call via the web chat function on receipt of the additional premium letter in December 2022, he asked if he just needed to cancel the direct debit. The agent said this wasn't correct and Mr H needed to remain on the webchat whilst they calculated the cancellation charges and cancelled the policy. But the chat was ended before it got to that stage, so the policy wasn't cancelled at that point.

Mr H didn't contact One Call again to formally cancel his policy and instead cancelled his direct debit, despite the agent letting Mr H know that this wasn't sufficient to cancel the policy and charges would need to be calculated. One Call then wrote to Mr H after he had cancelled his direct debit to let him know the policy would be cancelled due to the direct debit being cancelled (and charges would be applied) unless he contacted them, and it later was cancelled on 7 January 2023. So, Mr H didn't cancel the policy during his webchat in December 2022, and the policy ran until it was cancelled by One Call in January 2023, so time on risk charges applied to this point.

Receipt of documents

Mr H also argues that he didn't receive his documents until much later after purchase, so he says the 14-day cooling off period shouldn't start until a later point than it did. However, after purchase, Mr H was able to access his documents online via the customer portal, so he had access to them at that point. This is also how Mr H accessed policy information to provide documents to this service, so I'm satisfied he was able to access the portal.

Service and compensation

Our investigator also said that it was unreasonable for One Call to demand a payment of £88.65 in their final response letter, as this was a typo, and it was actually £49.65. However, the final response also confirmed:

"The balance will be placed on hold whilst this is ongoing..."

Therefore, whilst the amount outlined was incorrect, there wasn't a demand for payment at that stage and whilst the dispute was ongoing.

Our investigator said One Call should compensate Mr H £100 for the service received and the demand for the incorrect payment amount. However, for the reasons outlined above, I don't think One Call treated Mr H unfairly, or that he suffered any detriment due to a letter rather than email being sent. So, I'm not minded to direct One Call to pay compensation or do anything further."

Therefore, I wasn't minded to uphold the complaint or to direct One Call to do anything further.

The responses to the provisional decision

One Call didn't respond by the deadline outlined in the provisional decision.

Mr H responded, but he didn't agree. In summary, he said:

- The provisional decision lacked detailed analysis
- He cancelled the policy during the webchat on 21 December 2022
- He didn't receive the cancellation letter as it was sent via post rather than email
- One Call alleging there was two claims hasn't been investigated sufficiently
- There is no phone number available in the documents or online
- The letter informing Mr H of the additional premium was sent via post, rather than email
- One Call has breached various Financial Conduct Authority (FCA) principles
- He was provided with a formal complaint response which said to either pay the final demand or take the complaint to this service
- One Call attempted to defraud him
- The investigator's outcome and redress were accurate, whereas the ombudsman's provisional decision is misconceived
- Mr H has provided *new material evidence* which includes proof he took out a new policy on 24 December 2022 and One Call cancelled his policy on 29 December, therefore there was an overlap
- There wasn't a typo by One Call in their outstanding balance request, instead it was an attempt to defraud Mr H
- The ombudsman hasn't followed the relevant rules to consider what is fair and reasonable
- The original award of £100 compensation recommended by the investigator is now insufficient as Mr H has had to give further input into his complaint, therefore this should be increased to £200

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, and whilst I appreciate it will come as a disappointment to Mr H, my final decision remains the same as my provisional decision and for the same reasons.

Firstly, I note Mr H says I haven't followed the relevant rules and remit of this service to consider what is fair and reasonable. However, I respectfully disagree with Mr H here. Whilst my view of Mr H's complaint differs to his, this doesn't mean I haven't considered what, in my opinion, is fair and reasonable. I'm satisfied my provisional decision and final decision have taken into account what I think is fair and reasonable in all the circumstances of the case and explained what, and why, this is.

Whilst I also note Mr H says I haven't commented on every point he's made, I have focussed on what I believe is most relevant when reaching my provisional and final decision on what is fair and reasonable in all the circumstances. I also note Mr H says One Call hasn't complied with various FCA principles, but I don't think they've acted unfairly for the reasons I've explained.

Mr H says not enough investigation has been carried out into One Call saying he had made two claims, rather than one. One Call outlined to Mr H in their final response letter details about the claim from 2021 that wasn't declared by him on his policy when he took it out. This was then added by One Call, which created an additional premium and Mr H was written to about this. One Call isn't responsible for what data is recorded on the database, and I don't think One Call acted unreasonably by adding a claim that Mr H hadn't disclosed when taking out the policy based, based on the information they discovered on the claims database.

As I outlined in my provisional decision, if One Call had emailed Mr H rather than sending a letter advising of the increased premium, he may have received this before the 14-day cooling off period expired. But I also explained in my provisional decision that, regardless of whether that was the case or not, the ultimate fees for cancelling the policy pre and post 14 days would've been the same amount, just made up of slightly different fees. So, I don't think this caused any detriment to Mr H.

Whilst Mr H says that he cancelled his policy during a webchat on 21 December 2022, I explained why cancellation didn't go ahead on that date. And instead, Mr H cancelled his direct debit, which the agent had already told him wasn't sufficient to cancel the policy. This then later resulted in One Call cancelling the policy on 7 January 2023 after notifying Mr H of this beforehand. So, it wasn't cancelled on 21 or 29 December 2022 as Mr H says.

Mr H has also provided what he says is *new material evidence* showing he purchased a policy elsewhere. This is dated 24 December 2022. He also says he sent a recorded letter dated 21 December 2022 following up his web chat, requesting formal cancellation. But in any event, this would have been sent, and the new policy was taken out, after the 14-day cancellation period. And regardless of whether the policy was cancelled before or after the 14-day period, the fees would have been the same either way (for slightly different reasons) as outlined in my provisional decision.

So, either way, the actual fees would be the same. The only difference this *might* make is the time on risk charge, but as the new policy documents are new material information showing when Mr H *actually* insured elsewhere, he would need to submit this to One Call for consideration in the first instance. If after One Call has considered this, and if Mr H remains unhappy with whatever answer they ultimately give, he'd need to refer a new separate complaint to this service in line with our usual rules and timescales.

Mr H also says that the request for payment of £88.65 rather than £49.65 after cancellation wasn't a typo by One Call, but instead was an attempt to defraud him. I haven't seen any evidence which supports One Call was deliberately trying to defraud Mr H as he alleges, rather than they simply made a typo. One Call did however recognise that Mr H was unhappy with things, and they removed the £55.99 cancellation fee and £39 broker fee, significantly reducing the actual correct outstanding amount due.

Mr H maintains that One Call made a final demand for payment. He says that they issued a complaint response which demanded it. My view on this point remains the same as in my provisional decision, the final response clearly outlined *the balance will be placed on hold whilst this is ongoing*, so I don't agree this was a final demand for payment.

I also note Mr H says there isn't a telephone number for One Call. However, there are several numbers to more generally reach One Call in the policy terms and conditions, albeit Mr H might have needed to be transferred to the relevant department. And an internet search does also provide telephone numbers too. Mr H was also aware he could use the chat function as that is how he did contact One Call.

For the reasons outlined above, I don't think One Call has treated Mr H unfairly, so I'm not going to direct them to compensate Mr H or do anything further.

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 Mr H to accept or reject my decision before 3 October 2023.

Callum Milne
Ombudsman