

## The complaint

Mrs D complains that MCE Insurance Limited mishandled her motorcycle insurance policy.

Where I refer to MCE, I refer to the above-named company and I include employees and others insofar as I hold MCE responsible for their acts or omissions.

## What happened

Mrs D took out a policy from 1 February 2022. She paid a deposit or initial payment of about £67.00 and agreed to pay instalments of about £29.00 on the first day of each of the eight months from 1 March 2022.

In the early hours of 1 March 2022, MCE tried to take the first instalment, but it didn't go through. MCE applied a £30.00 charge. Mrs D contacted MCE that morning but MCE declined to remove the £30.00 charge. Mrs D complained to MCE about that.

By a final response dated April 2022, MCE turned down the complaint. Mrs D brought her complaint to us without delay. She asked for an apology and confirmation that her credit record hadn't been adversely affected.

### *our investigator's opinion*

Our investigator recommended that the complaint should be upheld in part. He thought that Mrs D had made the payment of about £29.00 and the fee of £30.00 on 1 March 2022. He recommended that MCE should:

1. refund Mrs D the £30.00 fee; and
2. if MCE have reported a late payment to the credit reference agencies, they should contact them to get this removed.

### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mrs D and to MCE on 12 October 2022. I summarise my findings:

I wasn't minded that MCE treated Mrs D unfairly by charging the £30.00 default fee and declining to withdraw it.

Mrs D didn't make any payment. Mrs D didn't ask us to direct MCE to refund the £30.00 fee. So – unlike the investigator – I wasn't minded to find it fair and reasonable to direct MCE to refund it.

Mrs D could've obtained her credit history and shared it with us, but she hadn't done so. So there was no evidence that MCE recorded a late payment. So – unlike the investigator – I wasn't minded to find it fair and reasonable to direct MCE to contact any credit reference agencies.

Overall I wasn't minded to find it fair and reasonable to direct MCE to do any more in response to this complaint.

Subject to any further information from Mrs D or from MCE, my provisional decision was that I didn't uphold this complaint. I didn't intend to direct MCE Insurance Limited to do any more in response to this complaint.

MCE hasn't responded to the provisional decision.

Mrs D disagreed with the provisional decision in part. she says, in summary, that:

- Since she paid the deposit for the policy on her payment card, she still has the same card.
- She stands by her bank and their advice with regards to the payment method being incorrect.
- On the evening of 10 March 2022, MCE sent her an email as follows:

***"We're moving to a new payment system on 11/03/2022 and need to **take your card details again...**"***

- After this, she changed her card details to a card that card does not require approval for payments to go off.
- Conveniently, it's only now that MCE have changed the times the payments are taken.
- MCE aren't being completely forthcoming with their side of the story or there is a lack of communication between the different departments.

### **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.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules ("DISP"). One of those rules has the effect that – before we may consider a consumer's complaint – the consumer must've complained to the financial firm and waited up to eight weeks for a final response.

The policy documents were branded in the name of MCE. But the documents made clear that MCE acted as an intermediary between Mrs D and an insurance company which also provided credit under a "Continuous Payment Authority" (CPA) credit agreement.

I'm satisfied that MCE explained that a CPA wasn't a direct debit.

MCE's terms of business included the following fee:

*"MCE Payment Plan default fee  
Administration fee for contacting you and assisting in collecting outstanding  
payments £30."*

I'm satisfied that MCE could charge a fee of £30.00 if it had to contact Mrs D to collect payment. I don't find that unfair, as Mrs D had agreed to pay by CPA on her card.

As Mrs D had agreed to pay by CPA on her card, I don't consider that MCE did anything incorrect by trying to collect the payment in the early hours of 1 March 2022. And – whatever went wrong with the payment of about £29.00– MCE had to contact Mrs D about it.

So I consider that the £30.00 fee was in line with MCE's terms. I don't conclude that MCE treated Mrs D unfairly by charging the £30.00 default fee- and declining to withdraw it.

Mrs D rang to make the payment of about £29.00. But it's common ground that MCE said it couldn't take that payment without also taking the £30.00 fee.

I accept Mrs D's statement that she didn't make any payment. Mrs D didn't ask us to direct MCE to refund the £30.00 fee. So – unlike the investigator – I don't find it fair and reasonable to direct MCE to refund it.

I have no reason to doubt Mrs D's statement that it was later that she changed the card from which payments were to be taken. That change had no bearing on what happened on 1 March 2022.

Similarly, MCE's later change of the time of day at which it applies for payments had no bearing on what happened on 1 March 2022.

I don't consider that Mrs D has complained to MCE that it treated her unfairly by cancelling her policy. So I can't deal with any complaint about that at this stage.

I would expect MCE to calculate the balance due from or to Mrs D including the insurance company's a pro-rata charge for her time on cover of about six weeks. But I don't consider that Mrs D has complained to MCE that it treated her unfairly by its calculation of any balance. So I can't deal with any complaint about that at this stage.

Mrs D's complaint to us asked us to direct MCE to apologise and to give confirmation that it hadn't affected her credit history. But I haven't found that MCE treated Mrs D unfairly by charging the £30.00 default fee and declining to withdraw it. So I don't consider it fair and reasonable to direct MCE to apologise.

Mrs D could've obtained her credit history and shared it with us, but she hasn't done so. So there's no evidence that MCE recorded a late payment. So – unlike the investigator – I don't consider it fair and reasonable to direct MCE to contact any credit reference agencies.

Overall I don't conclude that it is fair and reasonable to direct MCE 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 MCE Insurance Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 8 December 2022.

Christopher Gilbert  
**Ombudsman**