

The complaint

Miss O complains that Ageas Insurance Limited mishandled her motor insurance policy.

What happened

For the year from 11 May 2021, Miss O bought a motor policy branded with the name of a retailer and arranged by an insurance intermediary. Ageas was the insurer that was responsible for dealing with any cancellation of the policy.

Much of the complaint is about acts or omissions of the intermediary and others. Insofar as I hold Ageas responsible for such acts or omissions on its behalf, I may refer to them as acts or omissions of Ageas.

Miss O agreed to pay the yearly cost by an initial instalment of about £24.00 on 15 May 2021 and then monthly instalments of about £13.00 from 1 June 2021.

Miss O took out an alternative policy.

However, the Ageas policy continued. Indeed Ageas automatically renewed the policy for the year from 11 May 2022 and the monthly instalments increased to about £16.00.

In mid-October 2022, Ageas wrote to Miss O concerning a refund of about £11.00 in over-charged premium since the renewal. Miss O complained to Ageas that she'd contacted Ageas to cancel the policy on 17 May 2021 and she had received nothing about the renewal in May 2022.

Ageas cancelled its policy with effect from 20 October 2022. Ageas refunded Miss O's payments totalling about £277.00.

By a final response dated mid-November 2022, Ageas turned down the complaint. It said that it had listened to the call from 17 May 2021 and Miss O hadn't asked to cancel the policy.

Miss O brought her complaint to us in late January 2023.

Our investigator at first didn't recommend that the complaint should be upheld. He didn't think that there was enough evidence that Miss O told Ageas after she sought the policy elsewhere in May 2021.

Our investigator obtained further information and changed his view. Our investigator recommended that the complaint should be upheld. He thought that Miss O called to instruct Ageas to cancel the policy within the cooling-off period. He thought that Ageas had kept Miss O's payments of premium for 18 months. He recommended that Ageas should pay Miss O:

1. 8% simple interest from the date it took premiums from her to the date it refunded her; and

2. £100.00 as compensation for the distress and inconvenience caused by this poor service.

Ageas agreed with the investigator's recommendation.

Miss O disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- She got a better quote and called Ageas to cancel.
- Ageas have lied.
- She would not have paid for two lots of car insurance.

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 final response in November 2022 said that Ageas had listened to the call from 17 May 2021. And Ageas told us in October 2023 that it was converting the call into an appropriate file for it to send to us in due course.

However, Ageas hasn't sent us the recording and says the recording isn't available. So I accept Miss O's recollection that she rang to cancel the policy on 17 May 2021. That was within the cooling-off period. And Ageas hasn't said that any balance would've been due.

So I consider that Ageas shouldn't have continued to take the instalments from 1 June 2021. And find it fair and reasonable that Ageas refunded Miss O the total of £277.00.

Nevertheless, she had been out of pocket since the date of each such instalment. So I find it fair and reasonable to direct Ageas to pay interest at our usual rate.

On balance, I accept that Ageas sent documents for the renewal in May 2022, but, through no fault of Ageas, Miss O didn't receive them.

I accept that Miss O was upset in October 2022 when she contacted Ageas. Ageas went some way towards putting things right by making the refund. However, it made things worse by referring to the call recording and then not providing it, leading Miss O to the conclusion that it had lied to her.

I keep in mind that Miss O bears some responsibility for not noticing that Ageas had continued to take the instalment payments from her account. Also some of the impact on Miss O must've been to do with being out of pocket, for which interest is compensation.

Overall, I agree with the investigator that £100.00 is fair and reasonable compensation for the distress and inconvenience Ageas caused Miss O.

Putting things right

I find it fair and reasonable to direct Ageas to pay Miss O:

1. simple interest at a yearly rate of 8% on each instalment payment that it took from her account on and after 1 June 2021, from the date of each such payment until the date of reimbursement in October 2022; and

2. £100.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Ageas Insurance Limited to pay Miss O:

1. simple interest at a yearly rate of 8% on each instalment payment that it took from her account on and after 1 June 2021, from the date of each such payment until the date of reimbursement in October 2022. If Ageas considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Miss O how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate; and
2. £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 17 June 2024.

Christopher Gilbert
Ombudsman