

## **The complaint**

Mr M has complained that Adrian Flux Insurance Services Group (AFISG) didn't reissue his motor policy as he thought it would do. As a result, Mr M was stopped by the police for being uninsured and his car was seized and destroyed. The Court held that Mr M believed he had insurance so there was no conviction made for driving without insurance. Mr M wanted AFISG to pay for all these losses and compensate him.

## **What happened**

Mr M had a motor policy through AFISG, an insurance intermediary, which started around June 2022 and therefore would expire around June 2023. He decided to pay his premium by instalments and entered into a credit agreement to do so.

However unfortunately Mr M had some financial difficulties leading up to December 2022 and missed a premium instalment payment. AFISG noted Mr M hadn't pay his instalment due in November 2022. It tried to phone him on 5 December 2022 but there was no answer. It then sent him a letter dated 7 December 2022 explaining that if the premium instalment wasn't paid by 14 December his motor policy would be cancelled. AFISG didn't hear anything from Mr M, so his policy was duly cancelled on 14 December 2022.

Mr M then contacted AFISG on 21 December 2022. AFISG said it explained that as the policy cancelled Mr M owed it funds for cancellation charges and time on risk amounting to £894.94. Mr M then contacted AFISG again on 27 February 2023 to discuss the balance owed for the now cancelled policy. AFISG said it agreed to allow Mr M to repay this over four instalments of £223.73 each. AFISG explained that it wouldn't be able to provide any new policy for Mr M until it had at least received payment for the first instalment. AFISG said Mr M called it again on 3 March 2023 to make the first payment which he did. He then asked to be transferred to the insurer to discuss a claim. However, AFISG said Mr M never asked to buy any new motor policy with it on these communications. Therefore, it didn't issue any new motor policy.

Mr M was then stopped by the police for driving no insurance and he notified AFISG of this on 10 March 2023. AFISG explained that he hadn't bought any new policy, so it hadn't done anything wrong. Therefore, it didn't think it was responsible for the fact his car was seized and destroyed plus the associated loss of earnings and other costs like court costs.

As AFISG wouldn't change its stance Mr M brought his complaint to us. The investigator didn't think AFISG had done anything wrong so she didn't think Mr M's complaint should be upheld. Mr M disagreed and so his complaint has been passed 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.

Having done so, I'm not upholding this complaint either. I'll now explain why.

First, I do understand Mr M will be very disappointed with my decision. Secondly, I do understand and sympathise with his health issues and indeed financial issues too. However, my job is to look and see if AFISG did anything wrong as regards its terms of business in arranging the motor policy for Mr M. If it didn't do anything wrong, then I can't uphold Mr M's complaint, which is the situation here.

#### *Policy cancellation*

Many people pay their motor and indeed other insurance policies by instalments. However, when any instalment isn't paid and no arrangements are made with the insurer or their intermediary as AFISG is here to explain that, then AFISG did nothing wrong in sending its letter to Mr M on 7 December. This letter informed Mr M that no premium instalment had been received and that it would have the consequence of cancelling his motor policy if Mr M didn't pay the instalment within the specified time limit. It also explained that it had tried to phone him on 5 December but got no reply. So, I consider AFISG was following the correct procedure up to this point.

Sadly, Mr M didn't make any contact with AFISG before 14 December 2022, when it then had to cancel the policy for non-payment of the premium instalments. Again, AFISG did nothing wrong here in cancelling the policy in the absence of any payment or contact from Mr M. So, I don't consider AFISG did anything wrong at this stage either.

Mr M phoned AFISG on 21 December 2022. And AFISG said it explained again the policy was cancelled from 14 December 2022 and it explained the amount of money outstanding on the policy which he needed to pay as being £894.94.

I consider that AFISG followed the correct procedure in cancelling Mr M's policy here. If premium instalments aren't paid or re-arranged, then the policy can't remain legally valid – therefore AFISG did nothing wrong in cancelling this policy.

#### *Call recording of 27 February 2023*

Mr M didn't contact AFISG again until 27 February 2023. I've listened to this call. The adviser clearly detailed the policy cancellation and the amount Mr M still owed. It's also clear on this call that Mr M was fully aware he had no insurance policy on his car at this time. This is because he said he had to call the police about it because Mr M told the adviser the police had told him at that stage his car was uninsured.

The adviser was also clear about the steps Mr M would then have to follow in order to buy a new policy which was also clearly separate from the payment he had to make on the now cancelled policy. So, it was very clear on the call from what the adviser told Mr M then that his old policy wouldn't be 'reinstated' but instead Mr M had to buy a new policy which possibly might be with a completely different insurer. And that any new policy couldn't be considered until he made at least one of the four payment instalments of £223.73 being the debt on his old now cancelled policy. As Mr M said he wouldn't have any money until the next day no payment was made on this call.

Again, I don't consider AFISG did anything wrong here either. It made sure Mr M was fully aware his motor policy was cancelled. And that he knew how much he had to repay on that now cancelled policy. And that he also knew he couldn't buy any new policy until he had made at least one of the four payment instalments for the money due on his old now cancelled policy. I also consider the adviser made it very clear indeed to Mr M that a quote was needed for any new policy and that this new policy might even be with a different insurer too.

### *Call recording of 3 March 2023*

Mr M then called AFISG again on 3 March 2023. I've also listened to this call. Mr M never asked about any new policy quote or indeed he never asked if his car was back on cover again. He merely told the adviser on this call he needed to pay some money. That was arranged and then Mr M said that he was off to phone up his old insurer to discuss some outstanding claims. The call simply mentioned nothing at all about Mr M being insured again.

I don't consider it was for AFISG to re-explain things on this call at all. That had clearly happened on the call on 27 February. Mr M gave every impression he understood why he was making this payment. He asked no questions whatsoever about whether he was now on cover or even who his new insurer might be. Therefore, I don't consider it was possible for AFISG to think that Mr M might then think he was now insured again. So, I don't consider there is any evidence before me to show AFISG did anything wrong on this call.

### *Conclusion*

It's clear on the call of 27 February given that Mr M mentioned the police telling him that his car wasn't on the insurance register that Mr M knew then his car wasn't insured. There is no evidence to clarify exactly what happened on 10 March when Mr M was obviously again stopped by the police for no insurance. But clearly Mr M was stopped, and his car was seized and later destroyed. It's also clear Mr M had to attend court where the Magistrate felt Mr M thought he was insured, and so that's why he wasn't convicted of wilfully driving without insurance. However, the lack of the conviction doesn't at all mean Mr M was insured, merely that he wasn't deliberately uninsured.

I consider that AFISG clearly and repeatedly told Mr M on the call on 27 February exactly what his insurance situation was at that time, namely that his policy had been cancelled and that he would need to get a new quote for a new policy. The adviser made it clear that the payment of Mr M's debt on his own policy wasn't paying for any new policy – it was paying off the debt on the old policy. The adviser also made it clear that before AFISG would be happy to prepare any quote for any new policy it needed Mr M to pay at least one instalment off the debt on his old policy first. I consider this was reasonable of AFISG and I consider AFISG did nothing wrong in its dealings with Mr M throughout.

### **My final decision**

So, for these reasons, 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 M to accept or reject my decision before 10 January 2025.

Rona Doyle  
**Ombudsman**