

## **complaint**

Mr C complains that Europa Group Limited mishandled his motorcycle insurance.

## **background**

Europa acted as an intermediary between insurers and Mr C. He bought insurance for his scooter. He also bought additional products – personal accident and legal cover. The total cost for the year was to be about £115 including charges for paying by instalments. He paid a deposit of £20.23. Mr C was to set up a direct debit (DD). But Mr C cancelled the policy after about three weeks. He complained that Europa asked him to pay a further £80.

The adjudicator recommended that the complaint should be upheld. She didn't think that the business explained the cancellation terms sufficiently before cover commenced. And it didn't cancel the policy on the correct date (24 September 2016). But she thought Europa had explained correctly the non-refundable cost of the additional products. She recommended that Europa should:

1. ensure that the premium it charged is the pro rata premium for the cover provided until 24 September 2016;
2. add the cost of the additional products to calculate the total amount payable by Mr C, from which his deposit payment should be deducted to calculate the balance due;
3. pay Mr C £50 for inconvenience;

Europa disagrees with the adjudicator's opinion. It says that, in the first telephone conversation, it told Mr C that a cancellation fee would apply. The welcome letter contained a breakdown of these charges. Europa says it had no clear instruction from Mr C to cancel the policy on 24 September– but the time on risk calculation was based on that date. It waived about £34 from the cancellation fees, Europa says.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr C got a quote from a price comparison website. He then rang Europa and bought the policy. From the call recording I find that Mr C expressed concern about fees.

The call handler told Mr C he could cancel the policy but that the cost of the additional products wouldn't be refunded. The call handler mentioned a fee for cancellation but didn't explain the amount.

Cover started on 27 August.

On 24 September Mr C called Europa and said he was buying a car- so he wanted to cancel the scooter cover. I find that – although it couldn't give him any figures – Europa told him it could cancel the policy from that day.

Mr C then went away. His bank didn't pay his DD for the scooter insurance. So I think he'd cancelled the DD. He received a letter saying that the policy would be cancelled from 4 October. But I think Europa had already agreed to cancel it on 24 September.

When Mr C rang at the end of September, Mr C said he hadn't got the scooter any more. So I don't think a statutory off road notification (SORN) was relevant. Europa said he had to pay a balance of about £80 and the call ended abruptly.

Europa didn't cancel the policy until 8 October. But – in the end – Mr C has only been charged £5.31 for the motor insurance. So the date of cancellation made little difference.

But after 24 September he had to deal with a few difficult telephone calls which I don't think should've been necessary. So I think Europa caused him some upset by its handling of the cancellation. I think it's fair and reasonable to order Europa to pay Mr C £50 compensation.

I'm not satisfied that Europa told Mr C in the first telephone call that – if he cancelled – he'd have to pay an arrangement fee of £10, a price comparison fee of £25 and a cancellation fee of £50. From the call recording, I don't think Mr C would've agreed to this.

So I find it fair and reasonable to order Europa not to charge Mr C in total any more than £5.31 for the insurer's premium and £45.99 for the additional products.

### **my final decision**

For the reasons I've explained, my final decision is that I uphold this complaint. I order Europa Group Limited to:

1. pay (or credit) Mr C £50 for trouble and upset;
2. not to ask Mr C to pay in total any more than the following amounts:

£ 5.31	for the insurer's premium
£45.99	for the additional products
less	£20.23 paid
less	£50.00 to be paid for trouble and upset

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 April 2017.

Christopher Gilbert  
**ombudsman**