

complaint

Mr E complains that BDML Connect Limited (trading as aquote bike) cancelled his motorcycle insurance policy due to not receiving proof of his no claims discount NCD. He says he emailed this and posted this to aquote bike. He wants a refund and the record of cancellation to be removed.

background

Mr E bought insurance from aquote bike and it asked to see proof of his NCD. Mr E had a colleague email the NCD proof to aquote bike and he said he posted the proof as well. Aquote bike didn't receive this so it decided to cancel the policy. It sent a cancellation notice but Mr E didn't receive this. He then had another colleague email the proof of NCD but this was after the policy had already been cancelled.

Mr E says the email address that aquote bike asked him to use wasn't clearly defined in its letter. He is now being pursued for the cancellation fee which costs more than his premium. Aquote bike offered to offset the cancellation charge against the purchase of a new policy.

Our adjudicator didn't recommend that the complaint should be upheld. She thought Mr E's emails were sent to the wrong address. She thought the required address was clear. Mr E didn't have proof of postage for his documents. She saw evidence that aquote bike sent the cancellation notice. She thought the cancellation fee was set out in the terms of business.

Mr E replied that his insurance record shouldn't be marked with a cancellation as he took reasonable steps to get the NCD proof to aquote bike. He thought it was wrong that the cancellation fee was higher than his premium. He thought the cancellation notice should've been sent recorded delivery.

my findings

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

I appreciate that Mr E feels unfairly treated. He took out his insurance and paid it in full. He thought he'd sent the NCD proof as required. Then he received notice that his policy had been cancelled and he owed aquote bike money for this.

Our approach in cases like this is to consider whether the insurer's acted fairly and reasonably and in line with the terms and conditions of the policy.

There's no disagreement that aquote bike wanted a copy of Mr E's proof of NCD. There was no question about Mr E's NCD entitlement. He's driven for many years and had the maximum years NCD. I can see that his colleague sent this by email to aquote bike when it was requested. But this was unfortunately sent to the wrong email address so aquote bike didn't receive it.

Mr E says the email address given was unclear. I've looked at the letters and I can see that there were two email addresses given. I think these are clear. Our adjudicator tested these and they didn't "bounce back". However, she also tested the one Mr E's colleague used, and another he suggested, and these did "bounce back" with a failure to deliver message. So I can't say that aquote bike made a mistake.

Mr E also says that he sent his proof of NCD by post. I've looked at aquote bike's records and I can't see that it received this. Mr E hasn't provided evidence of postage. So, again, I don't have evidence to show that aquote bike made a mistake.

When it hadn't received the proof of NCD, aquote bike sent Mr E notice of cancellation of his policy. I appreciate that Mr E says he didn't receive this letter. I have no doubt that this is true as he would have no reason not to act on it. But I've evidence from aquote bike that it did send the notice, so I can't say it did anything wrong.

We believe that insurers should take reasonable steps to ensure that policy holders are told that their policy has been cancelled. This is because this will have serious consequences for them and expose them to possible court action.

So we would expect aquote bike to write to Mr E again after the policy was cancelled to confirm this. It did do this and Mr E did receive this letter.

Mr E thinks the notice of cancellation should have been sent by recorded delivery. I agree that this would be safer and I know that some insurers do this. But it's for insurers to choose their processes and systems. I can't require aquote bike to use recorded delivery.

Mr E thinks it's unfair that the cancellation fee is higher than his premium. But this is clearly set out in his business terms which he accepted when he applied for the policy online. So I don't think it's unfair of aquote bike to apply the charge. I think the amount charged isn't unreasonable.

I don't think Mr E did anything wrong deliberately. I can see that he tried to send aquote bike his proof of NCD. But I haven't evidence that aquote bike did anything wrong either. It didn't receive the requested proof of NCD, so it cancelled the policy after notification. This is within the policy terms. So I can't ask it to remove this marker or waive the cancellation fee. Mr E had use of his policy, so I can't ask it to make him any refund either.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 29 February 2016.

Phillip Berechree
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