

complaint

Mr W has complained about Europa Group Limited. He isn't happy that it didn't tell him his motorbike insurance policy had been cancelled. He was later stopped by the police for driving without insurance.

background

Mr W took out his insurance online but his policy was later cancelled when he didn't respond to Europa's requests for his proof of no claims discount. He was then stopped by the police for driving without insurance.

Mr W says he never got any warning his policy was about to be cancelled. Europa says it sent its requests and cancellation warnings by email as Mr W had requested when setting up his policy. These emails told Mr W to download important documents from a secure online portal. Europa also says it tried to call Mr W a number of times on the number he provided when setting up the policy but couldn't leave any voicemails as it appears that number was wrong. When Mr W didn't respond, it cancelled his policy and confirmed this to Mr W by email.

Our investigator looked into things for Mr W and upheld the complaint. He didn't think making cancellation warnings available on an online portal was good enough. He said because of the serious consequences for consumers of cancelling a policy, more should've been done to notify Mr W of the cancellation.

As Europa didn't agree the complaint has been passed to me to decide.

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've decided to uphold this complaint and I'll explain why.

The consequences of driving while uninsured, and of being convicted of doing so, are severe. So we think it is fair that an insurer gives adequate warning that it is thinking of cancelling a policy before it takes that step. Like the investigator, I don't think Europa gave fair warning to Mr W in this case. I've looked at the emails that it sent to Mr W. None mention that the policy is about to be cancelled. Most ask Mr W to download important insurance documentation from Europa's online portal. I don't think this is good enough in this situation.

Europa has raised case law to highlight that the notices of cancellation it sent to Mr W, on its online portal, were sufficient. This is because they were sent in a durable medium.

But that isn't what's in dispute in this case. I'm not deciding whether Europa sent the cancellation warnings in a durable medium. I'm looking at whether it fairly cancelled Mr W's policy giving reasonable notice.

And a key difference between Mr W's case and the case law raised is that the general terms and conditions of the bank in Europa's case told its customers that notices of changes would be communicated to its customers using its online portal. That is not the case here. Its policy document says that it can cancel either by sending seven days' notice "*to you at your last known address... or to your last known e-mail address if you have chosen to receive your MotorCycle Direct documents electronically.*" There is no mention here of sending these important documents to an online portal from where Mr W would have to download them.

Europa says that when Mr W was first taking out the insurance using its online application process, he actively chose to be sent correspondence by email, which was free, and not by post, which had a small charge. Having been through the customer journey Mr W would've gone through; I don't think it's likely he chose to receive correspondence in this way. The relevant section of the application process is titled "*Your Insurance Documents*". And it gives four different options: email - free, 2nd class post - £5, 1st class post - £10 and special delivery - £20. But email is automatically selected for you so Mr W wouldn't have needed to actively select it.

More importantly though, I'm not convinced that Mr W would even have known this section was there. It can only be found by scrolling to the bottom of the last webpage on the application before agreeing the purchase. And it's below a big red button at the top of that webpage reading "*Buy Now*". By this point Mr W would've entered all his relevant insurance details, been given a price and the option to add any extra products. If he simply clicked "*Buy Now*", without scrolling down, he would never have seen the options to be sent insurance notifications by email or post.

And even if I assumed Mr W scrolled down and decided to leave the email option ticked rather than select post. I don't agree with Europa that this would show he agreed to be sent insurance correspondence using its online portal. The wording of this "*Your Insurance Documents*" section reads: "*Your insurance documents will be emailed to you within 2 days of confirmation. If you want them to be posted, please select one of the options below.*" Like its policy document, this makes no mention of an online portal. It also doesn't refer to ongoing insurance correspondence. It only talks about the insurance documents that will be sent out within two days of the application being accepted. Normally that refers to the certificate of insurance, a welcome letter, schedule of insurance, a policy booklet and so on. I wouldn't expect someone making a selection here to realise that their ongoing correspondence from their insurer would all be sent to an online portal.

For these reasons, I don't think it was reasonable for Europa to send such important information about Mr W's policy to this online portal. This isn't what Europa's policy document or its sales process says it will do. So I don't think it's reasonable to expect Mr W to know how important it was to look at this kind of email. Because of that, and the fact Europa couldn't contact Mr W by phone either, I don't think it gave Mr W reasonable notice that it was going to cancel his policy.

Fortunately, it appears that Mr W hasn't been prosecuted, or convicted, for driving while uninsured although he has had to attend court to ask for a stay of proceedings whilst this service investigates this matter. If he had been prosecuted and convicted, the compensation I would have awarded would have been greater.

my final decision

For the reasons set out above, I uphold this complaint and require Europa Group Limited to:

- Remove the cancellation from any external databases it may have been recorded on;
- provide Mr W with a letter explaining that Europa cancelled the policy incorrectly. Mr W can produce this if he is later prosecuted for driving while uninsured. Mr W can also give it to his current insurer; and
- pay Mr W £500 in total as compensation for the distress and inconvenience of having his policy cancelled without reasonable notice and being stopped by the police.

Europa should do this within 28 days of us telling it Mr W has accepted my final decision. If it pays later than this, it should add interest to the compensation from the date of my decision to the date it makes payment¹.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 December 2017.

Frank Richings
ombudsman

¹ If Europa pays interest and considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr W how much it's taken off. It should also give Mr W a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.