

## **complaint**

Mr E complains that Europa Group Limited, trading as MotorCycle Direct, did not tell him that he could use his motor policy No Claims Discount (NCD) on only one motorcycle at a time; cancelled a second policy unnecessarily; charged him a premium for a period when he was not on cover; and that its staff were rude to his mother on the telephone.

Mr E is represented in his complaint by his mother, Mrs E.

## **background**

Mr E insured a motorcycle (which I shall call A) through MotorCycle Direct, with one year's NCD. Through an online price comparison service he obtained insurance, again with MotorCycle Direct, for a second motorcycle (which I will call B), declaring that he had one year's NCD. (He had previously asked MotorCycle Direct to quote direct on the telephone, but it had given a higher quote than online.) He therefore had two insurance policies using the same NCD.

MotorCycle Direct asked Mr E for evidence of the NCD for the second policy, and it was at that point that it realised that this NCD was already being used on his first policy. It offered to provide the second policy on B on a revised premium, with no NCD, but this was more expensive. Mr E did not want to pay the increase and told MotorCycle Direct that he wanted to cancel the policy on B. MotorCycle Direct did so but deducted its charge from the refunded premium for the period it was on risk for B and also part of its fees for arranging the insurance. As a result of what it says was human error, it issued two letters to Mr E – one wrongly said there was no refund due to him and the other correctly said there was a refund due him of £64.88.

Subsequently there were several telephone calls between Mr E, his mother and MotorCycle Direct. The outcome of these was that the policy on A was transferred to B with an increased premium. However, MotorCycle Direct agreed to reduce that increase by offsetting some of the fees charged when it cancelled the initial policy on B.

Mrs E says that Mr E was not told when he rang MotorCycle Direct to enquire about insuring B that he could not use his NCD on two policies and that this information was also not given when he arranged the policy online. She also says that transferring the existing policy on A to B should have been suggested as a solution when the discussion first took place about cancelling the policy on B. She points out that Mr E was only using B during the period while there were two policies in place and therefore he was unnecessarily paying premiums to insure two motorcycles.

Mrs E also considers that one of MotorCycle Direct's staff was rude to her on the telephone and that, in general, the staff were not as helpful as they should have been.

Our adjudicator did not recommend that the complaint should be upheld. She concluded, in summary, that MotorCycle Direct had acted reasonably in not accepting the same NCD history on two policies and then cancelling the policy on B – because Mr E had not been able to provide proof of an available NCD. She was satisfied that it was entitled to charge for covering both motorcycles for the time it did and that its subsequent offer to offset some of its charges against the increased premium on B was fair and reasonable compensation for any confusion or upset caused in what were, at times, difficult telephone conversations.

On behalf of Mr E, Mrs E has not accepted the adjudicator's conclusions. In summary she still considers that MotorCycle Direct should have done more to resolve the problem earlier; that it did not tell her son that he could not use his NCD on two different policies and that it has not provided an adequate explanation of the premiums it has charged and the refunds it has provided. She also still says that a MotorCycle Direct staff member was rude to her on the telephone.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I am sorry to disappoint Mr E and Mrs E but I do not uphold this complaint. I shall explain why dealing separately with each issue they have raised.

#### *Failure to tell Mr E that he could not use his existing NCD on two policies*

Mr E initially called MotorCycle Direct to get a quote for B, but did not actually apply for cover at that stage - consequently details of his existing NCD were not therefore discussed. When he applied online, there was a clear warning on screen that he needed to provide evidence of his existing NCD and that it could not be used for more than one policy. That warning was repeated in the documentation sent to Mr E asking him to provide evidence of his NCD. I am therefore satisfied that Mr E was told by MotorCycle Direct that he could not use his NCD on two separate policies. I therefore do not uphold this part of Mr E's complaint.

#### *Unnecessary cancellation of the policy on B*

Two policies were put in place by MotorCycle Direct. Mr E could not provide NCD evidence to enable the policy on B to continue at the existing premium. I consider that without that evidence MotorCycle Direct acted correctly in cancelling the policy on B. However, from the recordings of the telephone calls between Mr E, Mrs E and the insurer I am satisfied that it was agreed by Mr E and Mrs E that the policy should indeed be cancelled, because Mr E was not prepared to pay a higher premium for a policy on B without a NCD.

Subsequently it was agreed that the best way forward was for the policy on A to be transferred to B, and Mrs E considers that this should have been suggested earlier. At the time when the issue was discovered by MotorCycle Direct, there was some confusion about the full circumstances and therefore I do not consider that MotorCycle Direct acted unreasonably in cancelling the second policy based on the information available to it at the time.

I therefore do not uphold this part of Mr E's complaint.

#### *Charging of premium for period when cover not required*

For the period of time MotorCycle Direct charged for covering both A and B it was not told that only B was being used. I therefore consider it acted correctly in charging to cover both motorcycles. I therefore do not uphold this part of Mr E's complaint.

#### *Incorrect calculation of premium*

The adjudicator has already provided a detailed explanation of the fees and premiums charged by MotorCycle Direct and I find that the new premium on B has been correctly calculated, as was the refund on the original policy on B. I also consider the waiving of some fees by MotorCycle Direct a fair and reasonable response to the complaints made by Mr E and Mrs E about the confusion that occurred.

I therefore do not uphold this part of Mr E's complaint.

*Rudeness of MotorCycle Direct staff member*

We have been provided with recordings of several calls between Mr E, Mrs E and MotorCycle Direct. I find that these calls did become a little heated at time, but I do not consider that a staff member was intentionally rude to Mrs E. On the call in question there was a significant echo, caused by Mrs E recording the call at her end and this made it much harder for the staff member to understand what was being said to her.

I therefore do not uphold this part of Mr E's complaint.

**my final decision**

For the reasons given above, it is my decision that I do not uphold this complaint against Europa Group Limited, trading as MotorCycle Direct.

Malcolm Rogers  
**ombudsman**