

## **complaint**

Miss G is unhappy that Europa Group Limited t/as MotorCycle Direct cancelled her motorcycle insurance policy.

## **background**

Miss G took out a motorcycle insurance policy online with MotorCycle Direct.

On 3 April 2017 MotorCycle Direct emailed Miss G to tell her it required a copy of her photo card driving licence, a screenshot of the summary page from a website showing details of any penalty points or convictions and, if applicable, a copy of her compulsory basic training (CBT) certificate so it could finalise her cover.

On 18 April MotorCycle Direct emailed a letter to Miss G to tell her it would start cancellation proceedings if she didn't provide the documents within seven days. When it hadn't heard from her it emailed her on 24 April to say her policy would be cancelled in seven days if she didn't provide the documents. It sent the same email to her again on 25 April. As Miss G didn't provide the documents, MotorCycle Direct emailed Miss G on 8 May to say it had cancelled her policy and would take the outstanding balance from the payment card it held for her.

Miss G says:

- the emails from MotorCycle Direct didn't set out what documents it was waiting for and were 'coded' which meant she couldn't access any letters it sent to her
- MotorCycle Direct took a payment from her account representing fees and charges associated with cancelling her policy, without her authority.

MotorCycle Direct said Miss G had asked for correspondence to be sent by email when she took out the policy. But it said if she wanted to buy a new policy through it, it would waive the £50 cancellation fee it had charged her.

An investigator here looked at the complaint but didn't uphold it. She felt that MotorCycle Direct had given Miss G a fair opportunity to provide the outstanding information it needed to continue providing insurance for her and it had acted in accordance with the terms of its policy. Our investigator also said that MotorCycle Direct told Miss G in advance that it would take a payment from her card to cover the cancellation charges.

Miss G disagrees and so the case 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. Having done so, I agree with the outcome reached by the investigator. I know this will disappoint Miss G but I'd like to explain why I've concluded this.

When Miss G bought her policy she agreed to have her policy information sent by email. I can see MotorCycle Direct also told Miss G to add it as a contact in her email address book so any emails would go to her inbox. So, I don't think MotorCycle Direct acted unreasonably by sending her emails. I can see the email on 18 April was titled "*urgent action required in respect of your...insurance*". So, I think the email was clear Miss G needed to do something.

Miss G says that the emails from MotorCycle Direct were coded so she couldn't access her documents to see what information was outstanding. I've seen various emails from MotorCycle Direct to Miss G containing hyperlinks and asking her to download important information about her policy. Miss G would have had to click on the hyperlink which would have then taken her to a secure site. She would then have had to input her date of birth and her postcode, after which she'd have been able to see any letters from MotorCycle Direct.

I agree that the information MotorCycle Direct was chasing wasn't listed in the body of its emails to Miss G. However, Miss G only had to enter her date of birth and postcode to see those letters, which I think it's reasonable for her to have done. The emails also stressed that urgent action was required from her in order to finalise her insurance policy and that failure to respond may lead to the policy being cancelled.

So even if she didn't know what information was required, I consider that Miss G ought reasonably to have known that there was action which she needed to take to avoid her policy being cancelled. Overall, I can't agree that the information sent to Miss G was sent in a way which she couldn't reasonably access or which didn't sufficiently alert her that she needed to do something.

Miss G says that MotorCycle Direct took the cancellation fees and charges from her credit card without her permission. Miss G was charged:

- £36.61 insurance premium for the time she was covered under the policy
- £31.99 for an optional additional bike hire policy she took out
- £10.00 insurer's arrangement fee
- £25.00 comparison site usage charge
- £50.00 cancellation fee
- £4.45 interest charge based on the terms of the credit agreement

I should explain that it's the insurer that has charged Miss G the premium not MotorCycle Direct. I can see the insurer charged Miss G a pro rata amount for the time she was covered by the policy. As the insurer applied this charge I think it's only reasonable MotorCycle Direct passed it on to Miss G. The same applies to the interest charged by the finance company and the optional additional bike hire policy provided by a different insurer. Again these are not charged by MotorCycle Direct, so I think it's only reasonable it passed these costs on to Miss G.

The remaining fees were included in MotorCycle Direct's terms of business which explained that they would be non-refundable. I've considered whether the fees are in line with those charged by similar businesses and I'm satisfied that they are and so I don't agree that Miss G has been unfairly charged.

MotorCycle Direct's terms of business explain that any money owed to it would be taken from the debit or credit card details it holds on file. This means that MotorCycle Direct was entitled to do what it did. MotorCycle Direct also told Miss G a week prior to taking the payment that it would do so. I sympathise with Miss G because she says she incurred charges on her credit card because of the money debited from her account but, because it was entitled to take the payment I can't hold MotorCycle Direct responsible for this.

For the reasons I've explained I'm satisfied that MotorCycle Direct made reasonable attempts to contact Miss G to alert her that there was action she needed to take in order to finalise her insurance policy - and that the letters to Miss G were reasonably accessible to her. I also think MotorCycle Direct acted reasonably in debiting its fees and charges from the card details it held for Miss G.

**my final decision**

My final decision is that I'm not upholding this complaint and I make no award against Europa Group Limited t/as MotorCycle Direct.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 3 May 2018.

Reena Anand  
**ombudsman**