

## **The complaint**

Mr A has complained that Right Choice Insurance Brokers Ltd are unfairly chasing him for a cancellation fee even though he cancelled his motor policy within the 14-day cooling off period.

## **What happened**

Mr A took out a policy via an aggregator website with Right Choice on 11 September 2020. Right Choice wrote to him on 12 September 2020 saying his policy required validation so it would phone him within seven days.

However Right Choice wrote to Mr A again on 17 September 2020 saying the policy would be cancelled within seven days. It then sent Mr A a text message on 21 September asking him to make contact.

When Mr A talked to Right Choice, he confirmed he wasn't the owner nor registered keeper of the car which was being insured. However, on the application form he said he was the owner and registered keeper. On that basis Right Choice said the premium needed to be increased. That wasn't acceptable to Mr A, so he asked for the policy to be cancelled. Right Choice agreed and confirmed this. But Mr A said he did get any refund so instead he got a full refund from the card issuer.

The terms and conditions of the broker agreement Right Choice had with Mr A said that Right Choice was entitled to charge a cancellation fee. Mr A didn't think this was correct, so he didn't pay it. Consequently, Right Choice passed this debt to a debt collector who contacted Mr A on 27 July 2023 saying he owed £178.91.

Mr A didn't think this was fair given he had cancelled the policy within the 14 days permitted and he complained. He didn't receive the final response letter from Right Choice although it said it would hold off the bailiff whilst he took his complaint to us. And on that basis Mr A then raised his complaint with this service. The investigator didn't think Right Choice had done anything wrong. Mr A didn't agree so his complaint has been passed to me to decide.

## **What I've decided – and why**

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'm not upholding this complaint. I'll now explain why.

I do understand and appreciate that Mr A feels aggrieved that he's been asked to pay a cancellation fee when he cancelled the policy in time to get a full refund. Our approach in cases like this is to consider whether the broker Right Choice acted in line with the terms and conditions of the agreement.

The agreement between Mr A and Right Choice which Mr A had to agree to when buying the policy says the following:

*“Your cancellation rights*

*Within 14 days*

*If you are a consumer, you have the right to cancel a new policy within 14 days of when you purchased your policy or when you receive your policy documents, whichever is later.*

*Provided you have not incurred any claims during that period, the insurer will pay a pro-rata refund of premiums minus their administration charge.  
We will deduct a cancellation fee of £60 plus any other applicable service charges that you have incurred during the course of your policy from any refund provided by your insurer.*

*If the refund provided by the insurer is insufficient to cover our charges you will be required to pay the balance to us.”*

It's clear to me that Mr A agreed that Right Choice would charge him a cancellation if the policy was cancelled within 14 days as Mr A did here. Right Choice has shown me Mr A's online journey and I can see Mr A was asked to read the terms and conditions and he had to confirm he had read these terms before being able to complete his online purchase of the policy.

Therefore, Right Choice did all it was required to do by the regulations to bring these cancellation charges to Mr A's attention before he decided to buy the policy.

That means that Right Choice hasn't done anything wrong in pursuing Mr A for its cancellation fee.

I appreciate Mr A said he spent far too long on hold trying to speak with someone in Right Choice but I don't think that can make any difference to fact that Right Choice is entitled to charge this cancellation fee here.

### **My final decision**

So, for these reasons it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 March 2024.

Rona Doyle  
**Ombudsman**