

## **The complaint**

Mr A complains about how Somerset Bridge Insurance Services Limited (“Somerset”) applied fees when he cancelled his motor insurance policy.

## **What happened**

Mr A took out a car insurance policy through Somerset, which is a broker, using a price-comparison website in October 2023.

When he applied for cover, he supplied information showing that he’d had a driving licence for a certain period of time.

As part of Somerset’s checks, it asked for confirmation of that. Mr A sent his proof to Somerset. But when Somerset checked it, they showed that his licence had been issued about one year later than he’d told it. Somerset said it would charge Mr A an extra premium of £10.76 plus an administration fee of £50.

Mr A wasn’t happy about this. He asked that Somerset cancel his policy and he asked for a full refund. Somerset cancelled his policy after applying some charges.

Mr A complained about the service he’d had from Somerset and the charges it applied to his account. Somerset refunded him £350.52, and waived its cancellation fee of £75 due to its service, making the total refund £425.52 against Mr A’s original premium of £540.41. It apologised for some of its staff’s actions dealing with Mr A and said it would be providing them with feedback.

Mr A brought his complaint to this service. He’s unhappy about the charges applied to his policy. He points out he was on cover for a short period of time and was charged about £110 for this.

Our investigator looked into it and said he didn’t think Somerset had provided good service after he’d asked it to cancel, but he thought its decision to waive the cancellation fee was a fair response to this. He thought the other fees had been clearly explained so he thought this complaint wouldn’t be upheld.

Somerset agreed with the view but Mr A didn’t. He asked for his complaint to be reviewed by an ombudsman, so it has been passed to me to make a final decision.

## **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 Mr A’s complaint. I appreciate this will come as a disappointment to him, and I’ll explain why I’ve come to this decision.

It’s my understanding that Mr A has talked about taking action through the courts regarding the fees he was charged. This is his right.

I've looked at the charges applied to Mr A's policy by Somerset. I can see that he was charged a policy setup fee of £80.90, and I can see information about this, and other fees chargeable by Somerset, was stated in its Terms of Business he had to accept before he was able to set up the policy.

It's this service's approach that these fees can only be charged if a consumer was told that this would happen while they were buying the policy. From the information I have, Mr A was told about them before he set it up.

It's important I say that Mr A was reasonably aware of these fees when he set up his policy, and he doesn't seem to have objected to them. So I don't think the application of the fees are unfair. Mr A then asked Somerset to cancel his policy, and it again explained that the fees wouldn't be refunded. I can't say Somerset acted unfairly here.

It's important I say that the setup fee would be charged to Mr A as laid out in its Terms of Business, and the policy administration fee was charged due to Mr A's error in inputting his licence date incorrectly. So I think it's fair I say he bears some responsibility here.

The remainder of the charge made to Mr A was a Time on Risk charge representing the pro-rata premium 'used' by Mr A while his policy was live. This charge was charged by the insurance company and is fair and reasonable.

When Mr A cancelled his policy, I can see that Somerset's actions were confused and somewhat chaotic. Mr A was contacted repeatedly about the same matter and was given incorrect and conflicting advice by Somerset. I can see it apologised for these and gave feedback to its staff.

The inconvenience it caused Mr A seems to have been short-lived although I can appreciate his frustration during this time. Somerset agreed to waive his cancellation fee of £75. This amount is fair and reasonable and in line with this service's guidelines, and I think Somerset's action in refunding it is fair when under its terms, it would be allowed to charge Mr A this amount as he asked for the cancellation.

So I'm not going to ask Somerset to do anything more in relation to Mr A's complaint and I'm not upholding it.

### **My final decision**

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 1 October 2024.

Richard Sowden  
**Ombudsman**