

The complaint

Mr W complains that Fortegra Europe Insurance Company Ltd (“Fortegra”) unfairly refused to provide a refund of premium when he cancelled his Repair and Cover Insurance policy.

What happened

The circumstances of this complaint are known to both parties, so I’ll only briefly summarise them here:

- In April 2023 Mr W purchased a policy to cover his dishwasher for repairs. He paid the premium in full rather than paying on a monthly basis.
- Fortegra issued the policy and an Insurance Product Information Document (IPID) which summarised the main cover provided by the policy.
- Mr W tells us he cancelled the policy as he decided to purchase a new dishwasher.
- Mr W says he requested a partial refund of his premium and hasn’t received this.
- Fortegra hasn’t provided Mr W with a final response. It has provided limited information to this service and says the complaint is about repairs to the dishwasher. It adds that the insurance policy only comes into force after the initial repair is successful so is out of jurisdiction for this service.
- Our investigator said whilst there is a term that says the policy comes into force after a successful repair that doesn’t mean we can’t consider the case. She looked at the cancellation terms in the policy and said as there hadn’t been a successful claim Mr W was entitled to a refund of premium on a pro-rata basis.
- Fortegra didn’t agree so the case 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’ve reached the same outcome as our investigator and for similar reasons.

I’m aware Fortegra have raised a jurisdiction issue. However, the crux of this complaint is that Mr W purchased a policy and paid the annual premium, he later cancelled the policy and didn’t receive a refund. Mr W isn’t complaining about the attempted repairs to his dishwasher and the arguments as to when the cover provided by the policy comes into force is a moot point. Mr W is complaining Fortegra has unfairly dealt with the cancellation of the policy and in the circumstances of this case I’m satisfied this is a complaint we can consider.

Having determined the complaint falls in our jurisdiction I’ve gone on to consider the merits of the case.

I note the relevant sections of the policy terms say:

***“You may cancel Your Policy at any time after the initial twenty-one (21) days
“Changing Your Mind” period”***

“Should you wish to cancel the Repair and Cover after a successful Initial Repair, You will be liable to pay a fee of £85 immediately before any cancellation is actioned”

*“If the premium has been paid in full, **You** shall be entitled to a pro rata refund calculated on the number of days remaining on cover if **You** have not made a successful claim on this **Policy**.”*

I find these terms clear.

Fortegra haven't disputed Mr W paid the premium in full or disputed that he cancelled the policy.

In this case there hasn't been a successful initial repair, the repairs attempted did not remedy the issues with Mr W's dishwasher and he chose to purchase a new dishwasher and cancel the policy. I'm satisfied that as Mr W hasn't made a successful claim he is entitled to a refund.

The IPID confirms the policy start date was 14 April 2023 and the premium was £168.87. Fortegra haven't confirmed the cancellation date but from documents Mr W has shared I can see a file note on the system dated 4 May 2023 which states “Customer refused repair and cancelled call”. So I find it reasonable that the cancellation of the policy happened the same day.

The 4 May 2023 is 21 days from 14 April 2023, so Mr W cancelled the policy within 21 days. Therefore, the cancellation happened during the **“Changing Your Mind”** period set out in the policy terms.

In summary, this isn't a matter of jurisdiction, it is a complaint about a refund of premium. Mr W purchased a policy, paid the premium in full and shortly after he cancelled the policy. In the circumstances of this case I find Fortegra have acted unreasonably in not refunding the premium.

Putting things right

Fortegra should refund the full £168.87 premium to Mr W.

If it can show the cancellation instruction from Mr W occurred later than 4 May 2023 it should give a pro-rata refund.

My final decision

For the reasons above I uphold this complaint and require Fortegra Europe Insurance Company Ltd to refund the premium to Mr W.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 22 November 2023.

Martyn Tomkins
Ombudsman