

## **The complaint**

Mr S is unhappy My Policy Limited has charged £75 to cancel the motor insurance policy it set up. He's also unhappy with the service he received.

## **What happened**

Mr S took car insurance through a price comparison site on 13 September 2022 and My Policy was the broker that introduced him to the insurer the following day. Mr S said he was charged £75 to cancel the policy and he doesn't think that's fair because it was only in place for a matter of days.

My policy said Mr S's father called on 15 September to validate the policy and it discovered Mr S's date of birth had been entered incorrectly. The year of birth given made Mr S appear one year older than he actually was. My Policy said the insurer would no longer offer the policy because he had to be at least 19 years of age – which the validation process determined he was underage. My Policy said Mr S could either cancel the policy and incur the £75 cancellation charge, or the insurer could void the policy – which would have a significant impact on Mr S's ability to acquire insurance in the future.

Our investigator didn't uphold Mr S's complaint. He said there was no evidence of the error occurring at My Policy's end, nor was there evidence of the price comparison site supplying incorrect information. He explained that because My Policy effectively fulfilled its obligations by introducing him to an insurer and setting up the policy, the cancellation charge had been applied fairly. He also didn't uphold the service issues complained about by Mr S.

Mr S disagreed with his findings and requested an ombudsman make a final decision – which I'll now go on to do.

## **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 too have decided not to uphold this complaint and for similar reasons already explained by our investigator. The crux of this issue is whether My Policy is entitled to charge a cancellation fee for what Mr S perceives to be little work. To be clear, I understand the reasons Mr S disagrees with My Policy's position, but I can't say I'm persuaded by what he says here. I'll explain why.

- The policy was started on 14 September 2022. Mr S was sent the policy documents through My Policy's portal the day before to check and ensure the information given was correct. Mr S's father called My Policy the following day and it was determined the date of birth provided was incorrect. I'm satisfied this error wasn't My Policy's. I say that because it discovered Mr S had completed other applications with the same incorrect date of birth. The issue here is that by making Mr S effectively appear one year older, would've given him an advantage when looking for motor insurance quotes, as it did in these circumstances. The insurer Mr S was introduced to wouldn't

have offered him a policy had it known his correct age.

- Mr S's father was told that Mr S would personally need to cancel the policy, which didn't happen until 22 September. I've considered Mr S's reasons for the delay in cancelling the policy, but I don't consider them persuasive enough to waive the additional costs in this case. Mr S was unable to call My Policy on 16 September, when it told Mr S's father, he'd need to cancel the policy, because he was working. My Policy then provided an email address so that Mr S could notify it of his intended cancellation, which I thought was fair. And so, because Mr S didn't do this until 22 September, he's likely to incur costs from the insurer for the days it was effectively on cover.
- The evidence I've seen persuades me that the insurer would've still covered a successful claim brought by a third-party during that time. In other words, had Mr S been involved in an accident during that time and a claim brought against him, the insurer would've considered the third-party's damage, but not Mr S's. I should perhaps say that if Mr S had managed to secure alternative cover within that period, then he should provide this information so the insurer can consider whether to reduce the charge for the days it's charged Mr S for cover.
- I'm satisfied the £75 cancellation fee has been charged fairly in the circumstances of this complaint because it's made clear in My Policy's terms. To be clear, the terms say;

*"a charge may apply for any period of cover provided, and, in addition, an administration charge of £75.00"*

The charge applies because My Policy completed the work it was supposed to, which was to introduce Mr S to a prospective insurer and set up a policy. I'm satisfied it fulfilled its obligations here, but unfortunately, the information provided by Mr S was incorrect. And so, My Policy is entitled to apply the cancellation charge in the circumstances.

- I've considered other suggestions made so that Mr S avoids paying the charge, which involve the insurer voiding the policy. I thought it reasonable that My Policy highlighted the significant impact this would have on Mr S's ability to gain any insurance in the future. I say that because he'd have to declare a policy voidance to all future insurers across all areas of insurance and I agree this would present an issue gaining insurance in the future.
- I'm also not upholding the service issues Mr S complained about. I wanted to acknowledge Mr S's frustrations about being on hold for excessive amounts of time. My Policy also apologised to him for that, although it said Mr S wasn't kept waiting for longer than its average wait times. And so, whilst this was understandably upsetting, Mr S wasn't treated unfairly here because I've not seen any evidence to show the wait times were excessive. I've also not seen any evidence that showed My Policy acted unprofessionally throughout the handling of this issue.

## **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 10 August 2023.

Scott Slade  
**Ombudsman**