

## **The complaint**

Mr R complains about the amount Atlanta 1 Insurance Services Limited charged him when he cancelled his car insurance policy.

## **What happened**

Mr R purchased a black box car insurance policy through Atlanta, who is a broker. The policy was due to start a couple of weeks later. However, a few days after Mr R bought it he decided to cancel the policy before it commenced.

Atlanta let Mr R know there would be a fee of £125 as this was the arrangement fee which was non-refundable. This was because the policy had been set up and arranged and now needed to be cancelled. Mr R wasn't happy and asked to speak with a manager. A few days later the manager called him back and confirmed the arrangement fee but agreed to reduce it by £25 as a gesture of goodwill. Mr R wasn't happy and complained. He didn't agree he had to pay a fee and said it had taken too long to call him back and now other policies were more expensive.

Atlanta reviewed the complaint and stood by its position that the non-refundable arrangement fee applied. However, it apologised for the call back taking a few days and refunded another £25 of the arrangement fee. This meant, after Mr R received his refund, he had been charged £75 as the non-refundable arrangement fee. Unhappy with Atlanta's response, Mr R referred his complaint here.

Our investigator looked into the complaint and didn't recommend it be upheld. He found the sales process was clear there was a non-refundable arrangement fee of £125, and it was also clear within the terms of business. He also found that while the policy had been cancelled within the cooling off period, it was fair for Mr R to be charged an amount proportionate for the services provided. As Mr R had purchased a black box policy, these required the telematics systems to be set up and, as this had been done, he was satisfied it was fair and reasonable for Atlanta to charge the arrangement fee.

Mr R didn't agree and asked for an ombudsman's 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.

The terms of business for Mr R's policy under the section for telematics policy charges say:

"Non-refundable New Business set up fee". Next to this it says "£125".

I've also seen the online sales process Mr R used where it has a section titled "IMPORTANT INFORMATION ABOUT YOUR POLICY" and under this it says: "Non-refundable New Business set up fee of £125". Before Mr R can continue, he then has to confirm he's read the terms and conditions and also the additional telematics terms and conditions which

contain the telematics set up fee.

I understand Mr R disagrees any fees should be charged and referred to his legal rights, specifically being able to cancel within 14 days and get a full refund. And while Mr R is correct in that he's able to cancel within the cooling off period and not incur a penalty. The rules also say Atlanta can charge proportionately for the services provided.

When considering this is a telematics policy which requires additional work to set up and cancel, I'm not persuaded Atlanta has done anything wrong. I say this because the fee is clear when taking out the policy and in the terms of business. I can also see Atlanta has reduced the fee to £75, albeit partly due to a delay in calling back. But when taking this all into account, I'm satisfied Atlanta has acted fairly and reasonably in what it has charged Mr R. I'm therefore not going to tell Atlanta to do anything else.

### **My final decision**

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 8 August 2023.

Alex Newman  
**Ombudsman**