

The complaint

Mr G complains I Go 4 Ltd (I Go 4) applied unfair charges when he cancelled his motor insurance policy.

What happened

Mr G took out a motor insurance policy with I Go 4, through an online price comparison site. His policy started on 2 September 2023.

Mr G notified I Go 4 of a change of address on 25 September 2023. Due to the change of address it was no longer able to offer cover and on 29 September 2023 Mr G asked I Go 4 to cancel his policy.

The policy was cancelled, and a telematics fee was charged that Mr G did not think fair. It also did not refund the annual charge for roadside recovery and motor legal protection which Mr G had added to his motor insurance policy, and he did not agree with this.

Because Mr G was not happy with I Go 4, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said I Go 4 had been fair to charge a telematics fee. But it should refund the costs of the roadside recovery and the motor legal protection cover.

As neither I Go 4 or Mr G are happy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

I saw that when Mr G took out his policy he was sent a welcome email in which copies of policy documents were provided, and he was also provided with a link to view the terms and conditions relating to his policy. In the welcome letter it included a reminder to check all the documents sent to him.

When Mr G cancelled his policy due to the insurer no longer being able to offer cover, when he changed his address, I saw that as a gesture of goodwill the £75 cancellation fee was not charged. I Go 4 charged for the time Mr G had been on cover, for the additional products on his policy cover and the new business telematics fee.

Telematics fee

I understand Mr G said it was not optional to have a telematics box installed. I agree it was not optional but it was a requirement of the insurance cover provided to have the telematics device installed on his car. And it was Mr G's choice to buy a telematics motor insurance policy that included this requirement.

Within the terms and conditions of the policy it says;

"The new business telematics fee for the first year is £150".

This is also clearly detailed in the welcome letter sent to Mr G when he selected this policy.

Because Mr G's circumstances changed due to him moving to a different address, this resulted in the insurer no longer being able to offer him cover. I cannot fairly tell I Go 4 to refund the new business telematics fee as this was a condition of the policy he took out and the telematics device had been installed.

I do not uphold this part of Mr G's complaint.

Additional extra charges

I saw in the policy terms and conditions it says;

"No refund is available for additional products You may have purchased alongside this policy, when the policy is cancelled after the 'cooling off period'".

I Go 4 said Mr G chose to cancel his policy so it should not have to cover the costs of the roadside recovery and motor legal protection which were optional extras on Mr G's policy. It said optional extras are distinct add-ons and were products sold additionally to Mr G. It said these extras were additional features or services that he chose to buy and they were beyond the standard policy coverage.

Although I recognise these products were added at Mr G's own choice, he did not choose to cancel his motor insurance policy for his own reasons. In this case he had no option but to cancel his policy as I Go 4 had told him it could not offer cover at his new address.

I understand that Mr G made efforts to retain the additional products separately after the policy was cancelled but he was told they ended when his motor insurance policy was cancelled .

If Mr G had cancelled the motor insurance policy for reasons within his own control then I would likely accept he should not be due a refund. I do not consider it reasonable to think he would be aware that cover would not continue when he changed his address, and that he would need to cancel his policy.

The policy was live for less than one month and I have not seen any evidence that Mr G benefitted from either of these additional products, so I do not think it is reasonable for him to be charged for these in the circumstances of this case. I require I Go 4 to provide a full refund for the additional products Mr G bought in addition to the basic policy cover.

I uphold this part of Mr G's complaint and require I Go 4 to refund the cost of the unused additional extras.

My final decision

For the reasons I have given I uphold this complaint.

I require I Go 4 Ltd to refund Mr G the £29.99 cost of the motor legal protection cover and the £79.99 cost of the roadside recovery cover. A total cost of £109.98.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 November 2024.

Sally-Ann Harding
Ombudsman