

## **The complaint**

Mr L complains about the fees and charges applied by Right Choice Insurance Brokers Ltd trading as Ladybird (Ladybird) following the cancellation of his car insurance policy.

## **What happened**

Mr L took out a car insurance policy with an insurer ("the insurer") via Ladybird in 2023.

Mr L cancelled the policy in 2024. He has said, in brief, Ladybird introduced new terms to the contract of insurance, these weren't highlighted to him, they conflicted with the insurer's cancellation process in documents he was pointed to by Ladybird, and the fees and charges were unreasonable. He has said had these been made clear, he wouldn't have incepted this insurance through it.

Ladybird has said, in brief, Mr L entered into two separate agreements – one with it, and one with the insurer. It said Mr L needed to read and accept its terms and conditions before proceeding with the sale, the terms were further linked within post-sale information, available on its website, and the fees, charges, and cancellation process were clear, fair, and transparent.

Mr L remained unhappy. He approached our Service, and our Investigator didn't recommend the complaint be upheld. Mr L didn't agree, so I must decide the complaint.

## **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.

Many points have been made in relation to this matter – I've not addressed each one individually. Instead, I've focused on what I consider to be the key points. I mean no discourtesy by this – it simply reflects this Service's informal nature.

In 2023, Mr L obtained a car insurance quote through an online comparison site. Ladybird has said he was then directed to its landing page to proceed with payment for the policy. He paid this in full.

Ladybird has provided a screenshot of its landing page it has said Mr L would have been directed to. In the absence of any evidence to the contrary, I am satisfied this screenshot more likely than not shows the landing page Mr L would have been directed to during the sales process.

Ladybird's landing page set out that should the policy be cancelled, there would be a charge and administration fee levied. It also included a link to its terms and conditions, and fees. Underneath this, it stated in a highlighted box the following:

*"By ticking the box, you confirm that you have read, understood and agree to the Terms and Conditions and understand your cancellation rights."*

Ladybird has said Mr L needed to confirm the same and tick the box, as by not doing so, he wouldn't have been able to proceed with the sales process. I find this process to be fairly common practice. Ladybird were required to highlight its terms and conditions at the point of sale which I am satisfied it did sufficiently here. And Mr L was responsible for ensuring he read, understood, and agreed to the same, and understood his cancellation rights.

When Mr L incepted this contract of insurance, he entered into two separate agreements – one with Ladybird, and one with the insurer. Therefore, I don't agree with Mr L's comments that these agreements were conflicting. Rather, the two separate agreements he entered into had separate terms and conditions.

In essence, Mr L engaged the services of Ladybird to act on his behalf to, broadly, act in his best interests to provide him with an insurance policy that suited his needs. Ladybird facilitated this by engaging its panel of insurers. It was then required to provide Mr L with the relevant and correct insurance policy information in a clear, fair, and not misleading way. I am satisfied it did this here.

Mr L cancelled the contract of insurance before the end date (and after the cooling off period) following the theft of his vehicle and being unable to obtain a quote for a change of vehicle. Therefore, in line with the agreement in place between him and Ladybird – that he agreed to during the sales process – Ladybird applied fees and charges as well as any cost for the loss of commission it otherwise would have received but for the policy cancellation. I am satisfied it was fair and reasonable for Ladybird to do this. I say this because the agreement in place allowed it to do so.

I've reviewed Ladybird's terms and conditions regarding the fees, charges, and its cancellation process. And having done so, I find this was made sufficiently clear to Mr L regarding the types of charges, the amount, the reason for the charge, and the cancellation process.

I've also reviewed the calculation made by Ladybird which was as follows:

Premium paid	£1,243.37
Minus cost of insurance time on cover	-£580.43
Minus Key cover	-£9.00
Minus Set-up fee	-£79.00
Minus Cancellation fee	-£60
Minus Commission	-£51
Refund	£463.61

Whilst I acknowledge Mr L is unhappy with the refund he received following the policy cancellation, I find all fees to be in line with Ladybird's terms and conditions he agreed to when purchasing the policy.

In addition to this, I don't find the fees themselves to be unreasonable, or disproportionate, in relation to the cost to Ladybird to cancel this policy, the administrative costs associated with the policy set-up at the outset, as well as the loss of commission as I set out above.

So, in concluding, Mr L engaged the services of Ladybird which had its own terms and conditions he agreed to during the sales process. I don't find Mr L's lack of awareness of the same is the result of Ladybird's failure to make them sufficiently clear to him, or that it has treated him unfairly. So, it follows that I don't require Ladybird to take any action.

I accept my decision will disappoint Mr L. But it ends what we – in attempting to informally resolve his dispute with Ladybird – can do for him in respect of this complaint.

**My final decision**

I've decided not to uphold it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 16 January 2025.

Liam Hickey  
**Ombudsman**