

The complaint

Mr R complains Esure Services Limited (ESL) asked him to pay an unreasonable £60 fee when he cancelled his motor insurance policy during the term of cover. He said he wanted justification as to the amount of the cancellation fee.

What happened

Mr R contacted ESL via its live chat in July 2024 to cancel his motor insurance policy.

He was informed there was a £60 cancellation fee to be charged. He contested the charge, and the fee was waived.

The policy was cancelled, and a refund of the remaining policy premiums was made to him.

Because Mr R was not happy with ESL, he brought the complaint to our service.

Our investigator did not uphold the complaint. They looked into the case and said ESL hadn't made a mistake or treated Mr R unfairly when it requested the £60 cancellation fee as it acted in line with the relevant rules and the terms of business. And as ESL waived the fee during cancellation, it hadn't acted unfairly, as this wasn't something it had to do. They said ESL are not required to provide him with a breakdown of the £60 fee.

As Mr R is unhappy 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 in the welcome letter sent to Mr R when his motor insurance policy started it says;
"If you change or cancel your policy, Esure Services Limited charge an administration fee. Details of these fees can be found in your agreement with Esure Services Limited."

In the agreement with ESL it says;
"If you or we cancel your policy during your first period of cover, but after the 14-day cooling off period – Fee £60".

I have therefore seen that ESL was clear to Mr R of its charges, which included early cancellation, when he took out his policy.

Mr R's policy started in October 2023, and he asked to cancel it in July 2024. Therefore ESL was fairly able to charge the £60 cancellation fee at the date of cancellation. I saw during the live chat after Mr R said he had sold his car due to a *large fault*, it agreed to waive the cancellation fee, so it was never charged. The outstanding policy premiums were refunded to him.

Although Mr R was not actually charged the cancellation fee he said he would like confirmation as to what ESL does for the £60 fee. He said ESL hasn't provided him any justification as to how it can charge this amount.

When considering a complaint, our Service doesn't have the power to tell a business how to operate or exactly what to charge, we can only consider if it has followed the policy terms and conditions, and that it has fairly applied any charges. Insurers cancellation fees do vary, however in comparison to the cancellation fee of many insurers the £60 charged by ESL is similar, therefore I am persuaded it is reasonable.

I am only able to look at the circumstances of what has actually happened in this case and the impact to Mr R. And because the cancellation fee was waived there has been no impact on him.

Therefore, I don't uphold Mr R's complaint and don't require ESL to do anything further in this case.

My final decision

For the reasons I have given 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 15 April 2025.

Sally-Ann Harding
Ombudsman