

The complaint

Mr B complains about the charges that Devitt Insurance Services Limited applied when he cancelled his motorcycle insurance policy.

What happened

Mr B took out a motorcycle insurance policy with Devitt through an online comparison site. Less than six months later, Mr B cancelled his policy as he'd sold his motorcycle. But Mr B was unhappy that Devitt told him he had an outstanding balance of £210.26 to pay. Mr B thought the cancellation charge was too high, and that he'd been charged too much for his time on cover.

Our Investigator didn't recommend that the complaint should be upheld. Mr B asked for an Ombudsman's review, so his complaint has come to me for a final 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.

I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

Mr B is unhappy with the way the refund of premium, new business fee, and interest has been calculated for the time on cover. Devitt wasn't responsible for setting out the amount of the annual premium Mr B had to pay for the time insured – that was the responsibility of the insurer. The insurer is a separate business to Devitt. My decision is focused on the cancellation charge applied by Devitt only.

The sale of the policy was non-advised by Devitt, which means it had a responsibility to provide "clear, fair and not misleading information" to policyholders. As a broker, it was Devitt's responsibility to carry out the administration of the policy and highlight key and significant terms to Mr B when he first took out the policy.

I've seen that the terms of business set out that if the policy is cancelled after the 14 days cooling off period, a charge of £55 would become payable. Devitt charged Mr B a £55 cancellation charge when processing the cancellation. I think that's in keeping with other cancellation charges I've seen. So, it's fair and reasonable and in line with our approach.

Overall, I'm satisfied that Devitt has acted fairly and reasonably in this case. And it's entitled to require Mr B to settle the outstanding balance. Devitt agreed to reduce the outstanding balance by 50%, so charging Mr B £105.13 instead of the outstanding balance of £210.26. In line with our approach, I'd expect Devitt to keep this option open to Mr B whilst the complaint is still with this Service. It is for Mr B to decide whether he wants to accept it.

My final decision

For the reasons given 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 B to accept or reject my decision before 29 August 2025.

Neeta Karelia
Ombudsman