

The complaint

Mr J complains about the service received from Need to Insure Ltd (“NTIL”) when arranging the cancellation of his motor insurance policy. He says they delayed in processing his request to cancel his policy, charged him a higher cancellation fee than they should’ve and also sold him an optional extra he didn’t need.

What happened

Mr J sold his car, so he contacted NTIL to request they arrange for his policy to be cancelled. NTIL arranged this and issued a refund, but Mr J complained they delayed in processing his cancellation, charged him a £40 cancellation fee when it should’ve been £35, and that they’d charged him for Legal Expenses cover despite them not making him aware this was optional cover which incurred an additional charge.

NTIL responded and explained they’d arranged the policy cancellation the same day it was requested by Mr J and a refund was issued around three weeks later. So, they didn’t agree there had been any delay. In relation to the cancellation fee, they referred to their Terms of Business Agreement (“TOBA”) which said they reserve the right to amend their terms of business at any time, and their revised TOBA was available online which said the cancellation fee had increased. They agreed however to refund the additional £5 charged. In relation to the Legal Expenses cover, they said they sent Mr J a confirmation letter which showed this cover and its cost as an optional extra. NTIL said Mr J did have the opportunity at that time to cancel within the 14-day cooling off period for a full refund.

Our investigator looked into things for Mr J. She thought NTIL hadn’t acted unfairly in how they processed the cancellation and didn’t need to take any action. Mr J disagreed so the matter has come to me for a 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.

Having done so, I’ve decided not to uphold the complaint. I understand Mr J will be disappointed by this but I’ll explain why I have made this decision.

I’ve listened to a call Mr J made to NTIL to cancel his policy. During the call Mr J explained he’d sold his car and no longer needed cover. The call handler explained Mr J would need to confirm this in writing and that they would be sending Mr J an email shortly to request this confirmation.

The call handler sent the email the same day asking Mr J to confirm in writing the reason why he wanted the policy to be cancelled and from what date. The information shows Mr J then emailed NTIL the same day and provided the information requested.

NTIL then emailed the insurer and requested they cancel the policy and then confirmed this to Mr J, the same day. In this email to Mr J, NTIL explained any refund would be paid within 28 days as they would have to wait to receive the funds from the insurer. The information

shows NTIL then issued the refund to Mr J 21 days later. So, I'm satisfied NTIL processed the cancellation with the insurer without delay and then issued the refund within the timeframe they set out. And, beyond this, I can't see there was any delay in NTIL refunding Mr J from the point they received the funds from the insurer.

During the call Mr J made to cancel his policy, he asked the call handler, "*Can you tell me what the figures are?*" and the call handler then tried to clarify what figures Mr J was asking for, and Mr J then responded, "*...to cancel yeah, so how much I'll be getting back?*" The call handler explained they couldn't provide this at the time as they would need to calculate that amount once they'd received written confirmation from Mr J that he wanted to cancel his policy. The refund was then issued to Mr J three weeks later, but I can see Mr J emailed NTIL a few days later, and also called, to say he still hadn't received a breakdown of the cancellation costs. I acknowledge Mr J says this caused him "*significant inconvenience*", but I don't believe NTIL need to take any action here.

Firstly, I don't believe there was a clear instruction to the call handler, during the cancellation call, to provide a breakdown of all cancellation charges. I accept Mr J did say "*to cancel...*" in reference to the figures he wanted, but when the call handler clarified this, Mr J said he wanted to know how much he would be getting back as opposed to confirming he wanted a breakdown of all cancellation charges. Secondly, I'm not persuaded there was significant inconvenience to Mr J. I say this because Mr J didn't raise the point about a breakdown again until three days after the refund was issued, and this was in a short call which lasted just over a minute, and also in a short email. And the breakdown was then provided the same day.

In relation to the cancellation fee, the TOBA issued to Mr J does refer to a cancellation fee of £35, so I do acknowledge why Mr J was concerned about being charged a fee of £40. But NTIL's TOBA does say, "*We reserve the right to amend our terms of business at any time.*" and NTIL refer to the Terms of Business on their website which does show the cancellation fee has increased. That said, I can see NTIL have refunded Mr J the additional £5, so I can't say they've acted unfairly here.

Mr J is also concerned about the Legal Expenses cover being included in his policy – this was cover which was optional and also incurred an additional cost. I acknowledge Mr J says it was never explained to him at the point of sale that he could remove this cover and, because it was bundled together with his motor policy and he was told it was included, it's reasonable to expect this would be free. I've listened to the sales call which took place with Mr J and no discussion took place about the Legal Expenses cover. So, I can't say NTIL suggested to Mr J this cover was free or wasn't optional.

I can see though that NTIL issued Mr J with policy documents, and this included a 'Statement of Price' which provided a breakdown of the total price. Under a section headed 'Optional Extra Covers' it lists "*Legal Expenses Insurance...£26.99*". So, I think the policy documents did make it clear that the Legal Expenses cover was optional and also incurred an additional cost. The policy documents also clearly explained Mr J's cancellation rights.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 24 July 2025.

Paviter Dhaddy

Ombudsman