

The complaint

Mr B has complained that Atlanta Insurance Intermediaries Limited trading as Swinton Insurance (Swinton) applied a cancellation fee without disclosing it before he bought a car insurance policy.

What happened

Mr B bought a car insurance policy through a broker, Swinton. Shortly after, Swinton discovered that Mr B hadn't disclosed his claims history. Swinton explained that this meant the insurer could no longer provide insurance. So it said it would cancel his policy.

Swinton applied an arrangement fee of £40, so when it provided a refund of the premium Mr B had paid, it deducted this fee from the refund balance.

Mr B says Swinton said it would charge zero on cancellation within 14 days. So he wanted Swinton to refund the £40 fee.

One of our Investigators didn't recommend the complaint should be upheld. He found that Swinton had clearly set out the arrangement fee of £40 to Mr B before he bought the policy, and he agreed to the charges before buying the policy.

Mr B disagrees and wants an ombudsman to decide. He says the table of charges is misleading as it says Swinton won't make a charge if the policy is cancelled within 14 days.

So the case has been passed to me to decide.

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.

Mr B bought the policy online. Before agreeing to buy the policy with Swinton, the website page read:

"Please review the Terms of Business and Table of Charges and ensure you're happy with the cover described in the documents before purchasing the policy."

The 'Table of Charges' document does say that the cancellation fee is zero if the policy is cancelled within 14 days. So I agree with Mr B here. But Swinton hasn't charged Mr B a cancellation fee. It has charged its arrangement fee. This is the first charge set out on the table of charges. It applies irrespective of whether Mr B's policy is cancelled.

In order to proceed to purchasing the policy, Mr B ticked the box to say he agreed to continue. So I'm satisfied that Swinton gave Mr B an opportunity to read the table of charges – and that Mr B gave his agreement that he had read and agreed with them.

Mr B told us he is dyslexic. So our Investigator asked Swinton if Mr B made it aware of this when he applied for the policy. Swinton said;

“The quotation was arranged online by the customer via a comparison website. I am unable to confirm if any questions were asked by them at first contact. Our records don’t confirm the customer has made us aware of this once the policy was inception.”

So, I’ve seen no evidence that Swinton has treated Mr B unfairly, or as it would any other customer in the same position.

From the information provided, I think Swinton made it clear before Mr B bought the policy of the charges it would make. So this means I’m not asking it to refund the £40 arrangement fee it deducted from the refund balance when Mr B’s policy was cancelled.

Mr B says the reason the policy was cancelled was different to the one Swinton has said. This doesn’t make a difference to the outcome. As I’ve said, the £40 fee was clearly set out as an arrangement fee and was payable irrespective of whether the policy cancelled or not.

My final decision

For the reasons I’ve 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 22 July 2025.

Geraldine Newbold
Ombudsman