

## **The complaint**

Miss B complains about the service provided by First Central Underwriting Limited (trading as 1<sup>st</sup> Central Underwriting) (“FCUL”) when cancelling her car insurance policy.

## **What happened**

Miss B took out a policy and was then contacted by FCUL to provide proof of her No-Claims Discount (“NCD”). Miss B says she sent this to FCUL, but they rejected this and then applied an additional premium. Miss B then cancelled her policy and FCUL then explained there was an outstanding balance owed, which included a cancellation fee. Miss B then complained and said, because of the time it took FCUL to get back to her about the position with her NCD, it meant she was pushed outside the 14-day cooling off period. Miss B also complained about the charges applied, and about an additional payment taken by FCUL towards the premium.

FCUL responded and explained they’d noticed conflicting information entered at the quote stage, so they asked for proof of Miss B’s NCD. They said this showed that Miss B’s NCD was still live and being used elsewhere so they couldn’t apply this to the policy. FCUL said this led to them amending the policy to reflect this and this generated an additional premium. FCUL said Miss B didn’t want to pay the additional premium, so the policy was cancelled, and they then provided a breakdown of the charges Miss B was required to pay.

Our investigator looked into things for Miss B. She thought FCUL hadn’t acted unfairly when dealing with Miss B’s NCD and in applying the charges they did. Miss B 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 Miss B will be disappointed by this but I’ll explain why I have made this decision.

The information shows Miss B’s policy started on 18 April 2025, and FCUL then asked for proof of Miss B’s NCD on 29 April. It’s not unusual or uncommon for insurers to ask for documents or information from a customer after a policy has started. This is primarily to verify information which has been provided by a customer – and that’s what FCUL did here. The information shows Miss B provided this the same day. This wasn’t checked by FCUL until 7 May, and this was rejected as the NCD was already in use on another policy. This led to FCUL amending the policy details to reflect Miss B’s NCD as being 0 – which in turn generated an additional premium.

This additional amount included an administration fee of £50 for making a change to the policy. I acknowledge Miss B says it wasn’t fair for FCUL to charge this administration fee because the process allows Miss B to make changes online without generating an administration fee. Miss B says this should’ve been brought to her attention when discussing

the matter with FCUL. I acknowledge the point being made by Miss B, but the policy terms and conditions contains a table which sets out the fees and charges which apply in specific circumstances. Under a sub-heading 'Fees for making a change' it says a £50 fee will apply if FCUL, "...*have to make a change because you gave us incorrect information*" In this case, that is what has happened. Miss B had provided information suggesting she had a NCD which could be applied to this policy, but that wasn't correct. So, FCUL had to make a change – in this case reducing the NCD to 0 – because of incorrect information they'd received. The table does say there is a £0 fee, "*If you make a change online through your Account*" but I can't see that applies here as FCUL would still have had to make a change, in this case re-rating the policy based on there being no NCD, as a result of incorrect information they'd received. So, I don't think it was unreasonable for FCUL to have included an administration fee.

Miss B then decided she didn't want to pay the additional premium and wanted to cancel the policy. This then generated additional charges, but Miss B says this wasn't fair as FCUL's delay had caused her to cancel the policy outside the 14-day cooling off period. The information shows FCUL asked for the proof of NCD 11 days after the policy started. As I've said above, after a policy has started, insurers will often ask for evidence to verify the information a customer has provided, and I don't think the timescale here was unreasonable. The information was provided by Miss B the same day, but this wasn't checked by FCUL until eight days later – again I don't believe this was an unreasonable period of time. I acknowledge this meant the 14-day cooling off period had expired by the point FCUL informed Miss B about the additional premium, but FCUL wouldn't have foreseen that Miss B's NCD was being used on another policy. And, as I've said, I don't believe the timescales FCUL worked to here were unreasonable.

The cancellation led to Miss B incurring charges. I've seen the breakdown of the charges, and all charges are in line with the charges set out in the policy terms and conditions in circumstances where a policy is cancelled after the 14-day cooling off period. This includes an arrangement fee and a cancellation fee. Miss B has also been charged for her time on cover – which is usual in circumstances where a policy has been cancelled. So, I think FCUL haven't acted unfairly here in applying the charges they did.

Miss B says she was initially charged a deposit of £17.35 and a further payment of £17.41 was taken from her account despite her cancelling the policy. The breakdown provided by FCUL only shows the deposit being deducted from the outstanding balance, but the cancellation letter sent to Miss B did say, "*Your monthly payment is in the process of being collected. If the payment is successful, we'll refund it back to the same account...provided any refund is due.*" So, even if this payment was successful, FCUL did give Miss B notice that her monthly instalment towards her premium was in the process of being collected – and the information shows there was an outstanding balance owed.

I can see Miss B has also raised an additional concern about an issue involving FCUL's reporting to the Credit Reference Agencies. This isn't a complaint that was originally raised by Miss B to FCUL and hasn't been addressed in FCUL's final response. So, Miss B will need to raise this with FCUL in the first instance before our service is able to consider this.

I wish to reassure Miss B I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

### **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 Miss B to accept or reject my decision before 10 November 2025.

Paviter Dhaddy  
**Ombudsman**