

## **The complaint**

Miss E complains about the fees charged by her broker, Collingwood Insurance Services (U.K.) Limited (“Collingwood”) when she cancelled her learner driver motor insurance policy.

Miss E is represented in her complaint by a family member, but for ease I’ll refer to her throughout.

This decision concerns Collingwood as the insurance intermediary for the policy. It doesn’t concern the insurer of the policy which is a separate firm.

## **What happened**

Miss E took out a learner driver motor insurance policy via a comparison website and through Collingwood, in mid-March 2025. She paid the annual premium of £234 upfront.

She passed her driving test in early April and contacted Collingwood and told it she needed to cancel the policy.

Collingwood carried out the cancellation and refunded £79.25 to Miss E. She’d been on cover for about 18 days.

Miss E complained about Collingwood charging a £75 setup fee and a £40 cancellation fee.

The insurer charges what are known as short-term rates, so the refund from it wasn’t pro-rata. As I mention above, this complaint isn’t about the actions of the insurer.

Collingwood said its fees are explained up front when Miss E bought her policy. It said, when taking out the policy, Miss E would have been taken to their website where she would have had the option to view the full breakdown of costs and fees.

It said Miss E would also have been shown its terms of business, which detailed the fees it charges as a broker. By taking out the policy, Miss E confirmed her understanding of these terms and conditions before the policy was issued.

As Miss E remained unhappy, she brought her complaint to this service. She asks that Collingwood refund the £75 and £40 fees. Our investigator looked into her complaint and thought it wouldn’t be upheld. They thought the fees were clear and explained.

Miss E didn’t accept the view and asked that an ombudsman review the complaint.

## **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.

My role here is to decide whether Collingwood have acted fairly towards Miss E.

At the centre of Miss E’s complaint is whether the fees of £75 for the arrangement fee, and

£40 cancellation fee were made clear when they took out the policy.

Miss E feels it wasn't clear to her what the fees were. She's talked about her age being a factor as this was the first insurance contract she'd ever bought. She says it's obvious Collingwood has encountered this problem before, as its response was to send an ostensibly pre-prepared document showing its fees and the sales process.

I need to point out to Miss E that this service isn't the regulator. We're an independent dispute resolution service and we don't have powers to require a firm to change its processes or procedures. What we're able to do is look at whether Collingwood treated Miss E fairly, reasonably and in line with its terms and conditions when it dealt with her cancellation and refund.

Collingwood say it was made clear from the sales process, including its terms of business document, which Miss E went through and accepted before buying the policy.

I've looked at the sales process Miss E went through.

I can see that she was presented with a substantial amount of information when she applied for cover. That information included that Collingwood is a separate entity from the insurer. I've reviewed what the information sets out and I think it's clear. Miss E has my sympathy here, as she's said she feels the process was too much for her to understand due to her age, but I think it's fair I say that the information all needed to be read and understood. So if she needed help, she could have stopped the process and asked for help.

I've also considered whether it was reasonable for Collingwood to charge the two fees. In its final response, Collingwood refer to its terms of business that would have been available to Miss E when taking out the policy. The terms of business were available by clicking a linked document during the sale, and Miss E would have had to confirm she'd read it before proceeding.

I've looked at the terms of business and there's a section saying:

*"What will you have to pay for our services?"*

*Our intermediary fees, which are non-refundable, are provided below:*

*1. New Business and Renewal Insurance services processing Fee £75.00*

*5. Cancellation Fee £40.00"*

I think this makes it clear fees will apply at the start of the policy and if it is cancelled.

Although I understand Miss E's concern about her age impacting her ability to understand the on-screen details she was being given, I also need to say that I don't think it would be fair to expect Collingwood to display all of the relevant information at once – and Miss E's comment that she doesn't think Collingwood's process is suitable for her age and inexperience seems to confirm this point. But as I mention above, this service isn't the regulator, and we have no powers to require Collingwood to change its procedures or processes.

In later correspondence with this service I can see Miss E has talked about Collingwood's obligation under Consumer Duty and whether it has delivered an outcome for her in line with *"A firm must act to deliver good outcomes for retail customers"*.

A good outcome for a retail customer means they are sold products which provide valuable benefits at an appropriate price, that they receive the service and support promised or to be reasonably expected, and that there are no barriers to them cancelling or deciding not to renew.

So, although the policy included fees Miss E thinks are unexpected, I think the evidence I have shows me that information on them was reasonably available to her before purchase. As a result I'm not persuaded that Collingwood's actions are in breach or against its obligations under Consumer Duty.

Miss E has pointed out that many learner drivers will pass their test during the policy, which would – effectively – make the cancellation fee mandatory. But learners can take a long time to pass, with some taking longer than a year which would mean the fee isn't charged. So, I can't say Collingwood's fees are unfair or that they weren't reasonably shown to Miss E.

The fees charged by Collingwood also amount to a substantial part of the premium paid by Miss E when she bought the policy, so I can understand her disappointment at the amount of refund she's been sent. Unfortunately, when a policy has been purchased and the premium is relatively low, the impact of these fees can feel disproportionate. But Collingwood is a business which incurs costs, regardless of whether the policy is 'live' for a short or long period. I've noted that Miss E used her savings to pay for it and I've no doubt that the cost of the policy was an important spend for her, so I'll finish by saying that she has my sympathy and I wish her well with her continued driving.

### **My final decision**

For the reasons set out above, it's my final decision that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 10 November 2025.

Richard Sowden  
**Ombudsman**