

## **The complaint**

Mr B complains Right Choice Insurance Brokers Limited (RCIB) unfairly charged fees after he cancelled a motor breakdown insurance policy that it had arranged for him.

## **What happened**

Mr B bought a breakdown recovery policy after following a link from an online website. The policy was arranged with the insurer through RCIB. He paid the annual cost to RCIB.

Shortly after this was arranged on line, Mr B decided to cancel it. He said it didn't suit his needs because there was a cost of £25 for each call out made, which he had not understood when he bought the policy. RCIB cancelled the policy with the insurer and refunded him the cost paid less its £15 cancellation fee and policy arrangement fee of £2.64.

Mr B said this charge was unfair as he had cancelled the policy as soon as he became aware it didn't suit his needs. He said he was denied the chance to check the details of the policy carefully without being rushed by a website checkout.

RCIB said Mr B had been made aware of the £25 call out cost a number of times prior to him buying the policy. It said its administration charge and policy arrangement fees were to cover costs incurred in processing his policy at his request.

Because Mr B was not happy with RCIB, he brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said he was made aware of all the applicable charges and fees and agreed to these before he bought the policy, and he could review these at his own pace before continuing to purchase it. They were satisfied RCIB had acted fairly during the sale of the policy, and the charges it applied at cancellation were fair, so they didn't require it to do anything further.

As Mr B is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## **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.

Firstly, I think it would be helpful to explain the role of the Financial Ombudsman Service is to resolve individual complaints based on what is fair and reasonable in the circumstances of each case and to award redress where appropriate. We do not perform the role of the industry regulator which is the Financial Conduct Authority (FCA). I don't have the power to make rules for financial businesses, those are considerations for the FCA as the regulator.

The total cost of the breakdown cover purchased by Mr B was £71.18. I saw this included a cost of £21.90 for cover due to the car being more than 16 years old, insurance premium tax (IPT) and a fee of £2.64.

Mr B said prior to buying the breakdown insurance policy for his *older car* he wasn't provided with information about the charge of £25 being payable for each call out. He said he wasn't aware of this until he received his policy details the day after making the purchase. I saw evidence of the online sales journey, and the initial webpage that Mr B accessed provided two paragraphs of information about the breakdown policy in which it says "*there's a £25 call out fee for cars aged 10+ years*". The website advises if the car is between 10 and 15 years old the consumer may be better off with an alternative product. When the link to the policy is followed, it says clearly "*If the vehicle at the time of the breakdown is 10 years old or over the first £25 of the cost will need to be paid by you direct to the Service Provider at the time of call out.*" I also saw the insurance product information document (IPID) was provided prior to purchase, which says "*the first £25 in respect of a vehicle which is 10 years old and over at the time of the breakdown*" was not covered.

Although I recognise Mr B said he didn't see these statements about the cost of £25 for each call out due to the age of his car, I'm satisfied that throughout the online sales journey and prior to him making his decision to purchase the policy he was provided with clear information about this charge. I'm not persuaded the policy was mis-sold.

Prior to him buying the policy, Mr B had to confirm he had read and agreed to the terms and conditions. I saw this included the following:

***"8. Your cancellation rights***

*If you wish to cancel the policy, there is a £15 cancellation fee payable to Right Choice Insurance Brokers plus any other applicable service charges that you have incurred during the course of your policy from any refund provided by your insurer. Please refer to your insurers policy documents for terms relating to your cancellation rights as some insurers may use different cancellation scales for calculating refunds."*

In this case when Mr B cancelled his policy he was charged £17.64. I recognise he was initially incorrectly advised by RCIB this charge was sales commission, however it apologised for this mistake and clarified the cost was made up of the £15 cancellation fee and £2.64 new policy arrangement fee.

I acknowledge Mr B said there should be a cooling off period. I can confirm there was a 14-day cooling off period and no charges were made to him for the cost of the policy premiums or IPT. However, within the terms of the cooling off period it says "*Fees and charges paid by you to RCIB for arranging your xxx Insurance Policy are non-refundable.*"

Our Service is unable to tell a business what it charges for its services. FCA rules allow it to charge for services provided in accordance with the contract but they must not exceed an amount which is proportionate to the extent of the service provided, and the consumer must have been informed of the amounts payable.

I found the total charge of £17.64 for the cancellation of Mr B's policy was in line with the terms and conditions provided to him before his purchase. I found them to be similar to fees charged by other insurers and brokers. I didn't find them excessive. Therefore I have found the charge to be fair in this case.

Therefore, although I understand Mr B will be disappointed I don't uphold his complaint and don't require RCIB to do anything further in this case.

### **My final decision**

For the reasons I have given 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 April 2026.

Sally-Ann Harding  
**Ombudsman**