

The complaint

Miss B and Mr B have complained that Young People Limited trading as MyFirst mis-sold a car insurance policy to Miss B.

As Mr B is the lead complainant, I will refer to him on behalf of Miss B and Mr B in my decision.

What happened

Miss B bought a telematics car insurance policy with a broker, 'MyFirst'.

Miss B declared her annual mileage at 4,000. Under the telematics app MyFirst noticed the mileage had increased. On requesting to increase the mileage, MyFirst said there was an additional charge.

Mr B complained to MyFirst as he said it hadn't been made clear that it would make a charge if the mileage increased during the policy year. Mr B requested the policy be cancelled.

Mr B complained to MyFirst. He said its charges on cancellation were unreasonable and hadn't been declared. And he said MyFirst hadn't told Miss B it would increase the premium if she exceeded the mileage set at 4,000 miles a year.

MyFirst didn't uphold the complaint. So Mr B asked us to look at the complaint.

One of our Investigators didn't find MyFirst had acted unreasonably. She found the charges and fees were clearly explained. On listening to a key call, which Mr and Miss B have had access to, the Investigator agreed that MyFirst's agent didn't say there would be a charge if the mileage changed. But she didn't find that Mr B had asked if there would be. And the follow up documentation provided by MyFirst was clear. In another call, Miss B confirmed she had read the terms and conditions of the policy and continued with her decision to buy it.

So the Investigator didn't recommend the complaint should be upheld.

Mr B disagrees. In summary he says;

- They shouldn't have to rely on the documentation alone.
- The information given verbally was misleading as a charge for a mileage change was deliberately left out.
- Mr B has never had to pay for additional mileage under any of the car insurance policies he had held in the past.
- Mr and Miss B both have dyslexia and heavily rely on verbal information when making a decision.

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.

For ease, I've set out the complaints under headings below.

MyFirst mis-sold the policy

Miss B obtained a quote for her policy with MyFirst online. Mr B spoke with MyFirst before Miss B decided to buy the policy. In the key call it isn't disputed that it wasn't confirmed that if the mileage was increased during the year, this would result in a charge. Mr B asked if the mileage – set at 4,000 miles by Miss B – could be increased later. The agent said yes, that there was no hard cap on mileage and this could be increased later if needed.

I understand the agent didn't add that there would be a cost to increasing the mileage under the policy. But Mr B didn't ask if there would be a charge for increasing the mileage. Mr B said he would forward the documents for Miss B to electronically sign agreeing to the terms and conditions of the policy before purchase.

The documents set out the following in relation to the mileage term under the policy:

"In order to proceed with your quotation, we need to provide you with the following information about your telematics policy and the telematics device. Once you have read and agreed with the below statement please click to sign."

And;

"Your policy is mileage based and therefore we have taken in to account the number of miles you have said you will drive per year to calculate your premium. During your policy, we will monitor the mileage you are covering in your vehicle. If you look like you will exceed the number of miles you told us, then we will let you know and you will need to buy more miles. Failure to top up your mileage will result in your policy being cancelled."

I think the information about the mileage term was clearly set out under the documents Miss B was to read and agree before signing.

In a follow up call with MyFirst, Miss B said she read the documents it had provided, including its terms and conditions. Miss B was happy with this and had no questions.

So as Miss B confirmed she had read the documents before purchasing, which clearly included the mileage term, I don't find MyFirst mis-sold the policy to her.

MyFirst's charges on cancellation

Under MyFirst's Terms of Business, it set out the following information, which Miss B signed in agreement to.

"Terms of Business:

In most cases we are paid by commission from the insurer, but in some circumstances, we may charge you a fee instead of commission or a combination of both, in which case this will be confirmed to you in writing at the time of incepting or renewing your policy.

Our fees will be confirmed to you clearly and in writing at the time of incepting or renewing your policy and will always be disclosed to you before you commit to purchasing the product. There may also be occasions when an additional fee is sought, for example changes to the risk that required significant further advice and placement of additional coverage or substantial involvement in any large, difficult, or complex claims.

In addition, we also make charges as detailed below to cover the administration of your insurance. Any applicable insurance premium tax will be shown on the documentation we provide to you. These fees are non-refundable.

- All New Business & Renewal Policies: £125*
- Low Commission Policies: Where commission is lower than 10% a fee equivalent to the difference will be applied.*
- Nil Commission Policies: Up to 15% of the annual premium in addition to any applicable fees*
- Mid Term Adjustments (Change of Vehicle, drivers etc): £50*
- Cancellation Charge (From date of purchase until 14 days after inception): £100**
- Cancellation Charge (More than 14 days after inception): £100*(In addition to retaining any commission paid to us by the insurance company)*
- Data Subject Access Request: No Charge*
- Telematics Service Charge**: £155 This includes the provision of a telematics device, GPS monitoring and the support of the MyFirst intervention team throughout the period of your policy. Refundable during the cooling off period only (14 days) subject to the device being returned unused.*

**In addition, insurers will make a charge for time on risk. Details of which will be provided within your policy documentation*

*** Selected insurers only. Applicable to ERS and Markerstudy Policies*

We may occasionally receive additional remuneration from insurers, claims management providers and others.

Where you choose to pay your premium by instalments, we use a single finance provider. Where we arrange premium finance on your behalf, we are remunerated for our assistance in putting this financing in place by way of commission. We will advise you of any commission payable by the finance provider in relation to a credit agreement where knowledge of the existence or amount of commission could affect our impartiality in recommending a particular product or that may have a material impact on your transactional decision.

You are entitled at any time to request further information regarding the amount of any remuneration which we may have received as a result of placing or renewing your insurance cover. To the extent that this is not possible for an amount to be given, we will provide the basis for its calculation.

Where a policy is cancelled before renewal, insurers charge to cover their costs, with

the balance refunded to you, subject to no claim having been made. Full details will be available in your policy. In the event of an adjustment giving rise to a return of premium, the amount may be refunded or held to credit.

Telematics Device Installation

We will arrange for your telematics device to be sent to the address showing on your policy. This will need to be installed into your vehicle using the instructions provided.

You will be required to provide an image of the vehicle showing the device installed.

You will also need to install the MyFirst App on your smartphone within 7 days of your policy start date. The premium includes £155.00 for the telematics device and service and if the policy is cancelled at any time this is non-refundable.

Cancellations

If you wish to cancel, there will be a £100.00 charge for our services. An additional insurer charge may apply on top of any time on risk charge. If MyFirst or our underwriters cancel the policy, we will refund the part of the premium that has not been used. If you have been involved in an accident or claim, no return premium will apply.”

I think MyFirst clearly set out its fees and charges so that Miss B could make an informed decision before buying her policy. Miss B confirmed she had received and read the documents setting out such charges. So I don't think MyFirst misled Miss B or Mr B.

I understand Mr B and Miss B will be very disappointed with my decision. But I don't think MyFirst mis-sold the policy, or misled Miss B about the policy terms and charges. It therefore follows that I don't think MyFirst should compensate Mr B for his time in bringing the complaint, or increase the refund it provided on cancellation, as this was correct and in line with the policy terms.

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 Miss B and Mr B to accept or reject my decision before 10 April 2026.

Geraldine Newbold
Ombudsman