

The complaint

Mr W complains that First Central Insurance Management Limited (“First Central”) treated him unfairly in relation to his motor insurance policy.

What happened

In October 2025, Mr W acquired a small car that had first been registered in 2013.

On 19 October 2025, Mr W went onto a comparison website and provided certain information, including that he had 20 years’ no-claims bonus or no-claims discount (“NCD”).

He bought a policy from First Central. He paid about £245.00 including a policy arrangement fee of £50.00. The policy covered Mr W as policyholder and his partner as named driver.

On 31 October 2025 First Central asked Mr W for additional information including evidence of his NCD.

On 1 November 2025 (a Saturday), Mr W tried unsuccessfully to cancel the policy online.

On 2 November 2025, First Central said its policy analysis team wasn’t available to process the cancellation on a Sunday.

On 3 November 2025, First Central said the 14-day cooling-off period had expired and a cancellation would cost Mr W the following:

arrangement fee	£ 50.00
16 days on cover	£ 8.58
cancellation fee	£ 50.00
total	£108.58

Mr W provided further information. First Central said it would reduce the NCD to zero years and charge an additional premium of about £220.00 plus an amendment fee of £50.00.

Mr W decided not to cancel the policy. So in total he paid about £520.00.

He complained to First Central about the additional premium.

By a final response dated 7 November 2025, First Central turned down the complaint. However, First Central said that it had refunded the £50.00 amendment fee.

Mr W brought his complaint to us later in November 2025.

Our investigator didn’t recommend that the complaint should be upheld. The investigator referred to Consumer Insurance (Disclosure and Representations) Act 2012 (“CIDRA”). The investigator didn’t think that it was fair that Mr W couldn’t cancel the policy on 2 November 2025. However, the investigator thought that First Central had given Mr W relevant information on the costs to cancel or to stay with First Central.

Mr W disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- The limitations of First Central's system and the lack of weekend support denied his statutory right to cancel within the cooling-off period.
- This forced him to amend the policy, resulting in the additional charge of about £220.00 plus £50.00 amendment fee.
- First Central gave him incomplete or conflicting information regarding his options.
- The final cost of about £520.00 was significantly above market rates, as shown by comparable quotes for similar coverage (0 years' NCD) which were around £366.00.
- Although the £50.00 administration fee was later refunded, this does not fully restore the position he would reasonably have been in had cancellation been available when first requested.

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.

Scope of this decision

The Financial Conduct Authority's dispute resolution rules are binding on the Financial Ombudsman Service.

One such rule is that, before we can investigate a complaint, the consumer must first have made that complaint to the regulated firm and waited for up to eight weeks for a final response.

It sometimes happens that a consumer makes a complaint to the firm, receives a final response and brings the complaint to us, but with additional points of complaint. In such circumstances, we can investigate the original complaint, but we would have to deal with the additional points in a separate investigation.

Another rule is that we operate a two-stage process under which an investigator gives an opinion and, if either party asks, an ombudsman gives a final decision.

Mr W's complaint to First Central included dissatisfaction with the additional premium, but not, in my view, a complaint that the overall premium was "above market rate". So I consider that the investigator was correct not to give an opinion on that additional complaint. I make no findings in this decision about whether the overall premium was "above market rate".

Nevertheless, I make the general point that different insurers assess risk and set premiums in different ways at different times. We don't usually find a price is unfair just because it is higher than prices of competitors in the market.

I don't find it necessary to make any findings about whether Mr W made a qualifying misrepresentation under CIDRA. That's because First Central hasn't sought to invoke any remedies under CIDRA.

This decision

From what he has said, Mr W had been driving as a named driver on his partner's policy. He accepts that he had zero years' NCD.

Mr W had agreed to pay the policy arrangement fee of £50.00.

Mr W was also going to have to pay a further admin fee of £50.00 if he changed his NCD and continued with the policy.

From the call recordings, I'm satisfied that First Central gave Mr W clear information about his options and the respective costs.

As Mr W tried to cancel within the cooling-off period, it would've been fairer for First Central to offer cancellation without the £50.00 cancellation fee.

However, I'm not persuaded that the £50.00 cancellation fee caused Mr W to keep the policy when he would otherwise have cancelled it. Rather, I find that Mr W made an informed decision to pay the additional premium of about £220.00 to keep the policy.

From a First Central screenshot, I accept that the additional premium of about £220.00 was correct in line with what First Central would've charged any policyholder in the same position as Mr W.

First Central's final response was very prompt and waived the £50.00 amendment fee.

Also, First Central told us (and the investigator told Mr W) that he could still cancel the policy and pay only for time on cover. Mr W still didn't cancel the policy. That reinforces my view that Mr W had made an informed decision to pay the additional premium of about £220.00 to keep the policy.

So I don't find it fair and reasonable to direct First Central to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct First Central Insurance Management Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 May 2026.

Christopher Gilbert
Ombudsman