

The complaint

Mr G is unhappy Tradex Insurance Company Limited cancelled his motor trader insurance policy.

What happened

Mr G bought a motor trader insurance policy through a broker who I'll call "C". C was authorised by Tradex to communicate with Mr G on its behalf. For ease, I'll refer only to Tradex in this decision.

Mr G's policy was cancelled as Tradex had been notified of claims for several vehicles which hadn't been removed from the policy, in a timely manner, after they were sold. A letter was sent to Mr G letting him know the policy was to be cancelled and gave him seven days' notice of this.

Mr G says he didn't receive this letter and only found out the policy had been cancelled and as he called about a separate matter. He said he had tried to remove the vehicles but there were technical issues with the electronic portal.

Mr G complained, Tradex looked into the complaint but said it hadn't done anything wrong. It was entitled to make the decision to cancel the policy and it let Mr G know this in line with the policy terms and conditions. It said it couldn't explain why Mr G had not received the letter. Mr G was unhappy with Tradex's response and brought his complaint to this service.

Our investigator looked at the complaint but didn't think it should be upheld. She was satisfied Tradex's cancellation of the policy was in line with the terms and conditions of it. She also said she wasn't persuaded by the screen shot Mr G had provided of the problems he experienced with the portal, as it wasn't dated and in addition, it shows an incorrect vehicle registration number.

Mr G remained unhappy and asked for the complaint to be reviewed by an ombudsman.

The complaint 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- Having looked at the policy terms and conditions, it allows Tradex to cancel the policy if the terms and conditions of it aren't met. It is a requirement of the policy that the Motor Insurance Database (MID) and policy be kept updated. Being mindful of the type of policy this is, I have taken this to mean vehicles should be added and removed as soon as they are purchased or sold.

- Tradex has provided evidence to this service of several claims that were registered with it for vehicles that had been sold by Mr G but not removed from the MID or his policy. I think it has therefore acted in line with the policy terms when it decided to cancel Mr G's policy.
- Mr G has said he did try to comply with the policy terms and conditions, but there were technical issues updating the portal. I've looked at the evidence Mr G has provided however it is undated and therefore I'm unable to confirm this took place around the required date for the vehicle in question. I also note the vehicle registration number was wrong, so this may explain why Mr G had difficulties.
- While I accept it is possible Mr G had issues removing the vehicle in question, the policy wasn't cancelled on the basis of one vehicle alone. There were several that weren't removed in a timely manner, and if Mr G was having issues with all of these vehicles, I don't understand why he didn't raise this sooner or contact Tradex.
- As required by the policy, Tradex sent a seven-day notice of cancellation letter to the address held for Mr G. I've checked this and can see the letter was correctly addressed. I can't say why it wasn't delivered to Mr G but I can't hold Tradex responsible for the actions of unrelated third parties.
- I realise it would have come as a shock to Mr G to be told the policy has been cancelled, however having reviewed everything I don't think Tradex has acted incorrectly. It cancelled the policy as it was entitled to do under the terms and conditions, and it sent the required notice to Mr G.
- There is an outstanding claim on the policy and therefore Mr G isn't currently entitled to any refund. In such circumstances, an annual premium is due in full. Should this change once the claim is finalised, I would expect Tradex to let Mr G know.

For the reasons above, I do not uphold this complaint.

My final decision

My final decision is that I do not uphold Mr G's complaint against Tradex Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 July 2021.

Alison Gore
Ombudsman