

The complaint

Mr W is unhappy that Liverpool Victoria Insurance Company Limited (LV) cancelled his motor insurance policy.

What happened

In May 2020, after acquiring a new car Mr W said he asked LV to update his car details and motor insurance cover. Mr W's policy with LV was due for renewal at the end of August 2020. LV agreed to provide insurance cover for Mr W's car based on the chassis number as it was imported, but asked Mr W to get the DVLA to provide a UK registration number.

Mr W said he tried to get his car registered with the DVLA but because of the delays caused by the pandemic, he hadn't been able to get this done. He said LV cancelled his motor insurance policy unfairly as they didn't give him time or consider the difficulties he was experiencing.

Mr W also said that when he was able to get his car registered and insured, LV had unfairly increased the premium. He complained to LV.

LV said they'd temporarily provided motor insurance cover for Mr W while he arranged for his car to get a UK registration. They said they extended the time Mr W had to get this on several occasions, allowing for the delays caused by the pandemic. After the last extension, LV gave Mr W notice that his motor insurance policy couldn't be renewed at the end of the policy without the required documents. And as he'd hadn't provided the required UK registration, Mr W's policy was cancelled.

Mr W wasn't happy with LV's response and referred his complaint to us.

Our investigator said LV had acted fairly and responsibly in their actions with Mr W as they'd provided ample time for Mr W to get his car registered.

Mr W didn't agree, he said he hadn't been able to contact the DVLA as they didn't accept written requests until July 2020. And reiterated LV had acted unfairly in cancelling his insurance policy. And then increasing the premiums he'd to pay. He asked for an ombudsman 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'm not upholding this complaint. I'll explain why.

Mr W's motor insurance policy terms do allow LV to cancel his policy in certain circumstances. I can understand Mr W's frustration as these are difficult times, and there

have been lengthy delays caused. So, I've considered if LV cancelled the policy fairly and in line with the terms and conditions.

I can see Mr W's policy documents explains that

"To help us validate your details, we may ask you to send us documents, information or allow us to access databases. This could include your car registration document, proof of your address and a copy of your utility bill. If you don't send us this documents/ information or give us permission to access a database, we may have to cancel your policy."

Mr W first contacted LV in May 2020 about insuring his imported car. LV has said that they usually allow 28 days for a customer to provide the required documentation. I can see that Mr W spoke to LV in July 2020 and explained he was still having difficulty in getting his car registered in the UK. LV agreed to extend the time allowed for a further two weeks.

On 8 August 2020 Mr W spoke again to LV, and it was explained to him that any extension could only run to the end of his existing motor insurance policy. This policy was due to end at 11.59pm 31 August 2020. I can see that LV followed this call by informing Mr W in writing:

"We have recently sent you the renewal notice for your car insurance. Please note that we will only be able to renew if you can provide a UK registration number. If you are unable to provide this then your cover will end at 23.59hrs 31/08/2020."

Mr W said he spoke to an LV agent on 27 August 2020 about renewing his policy and obtained a renewal quote after some negotiation. And I can see that on 28 August 2020 Mr W was sent in writing:

"Your LV= car insurance has renewed"

And this went on to say:

"You need to call us within 28 days, with the UK registration number for any vehicle with a chassis number."

So, I can understand Mr W's frustration when the next day he was told that his policy had been cancelled with effect from 01 September 2020. I know Mr W says this only gave him 24 hours notice. But I can see on the same day LV sent clarification to him, reinforcing the message sent 8 August 2020 that his policy couldn't continue without his car being registered. They acknowledged the new policy documents had been sent but said that this notification superseded any other documents.

LV's policy terms and conditions say:

"We'll cancel your insurance by giving you 7 days' notice:

So while I can see Mr W's point he'd only had 24 hours notification. LV had made him aware in early August 2020 that his policy wouldn't renew without the required documents. And Mr W said this wasn't discussed when he was negotiating his renewal, even though he was aware he'd not yet got his car a UK registration, and the impact this would have. LV also reiterated this immediately after the policy documents were sent. Mr W knew he hadn't yet been able to send his UK registration to LV. So, I'm satisfied Mr W was aware that his policy would be cancelled without his UK registration, and LV had given him sufficient notification.

I know Mr W doesn't think LV has been sympathetic to the current situation . But in total from first asking for his car to be registered to the date Mr W's policy was cancelled, LV had allowed 93 days for the necessary documents to be provided. So, I'm satisfied LV's decision to cancel the policy was fair and reasonable and in line with the policy terms. So, I won't be asking LV to do anything further.

Mr W has said LV increased his motor insurance premium when he was able to provide the UK registration for his car. The remit of this service doesn't extend to telling insurers what premium to charge for the risk requiring cover. That's because this service isn't the regulator, the Financial Conduct Authority (FCA) is. Therefore, our remit is to ensure Mr W wasn't treated unfairly by LV, and that they'd adhered to their own underwriting guides and procedures. I can see the renewal price before Mr W's policy was cancelled was £425.98. Mr W said he negotiated a discount to £329.59 but this was at a time when his car still hadn't a UK registration and the full details about his policy, as Mr W has said wasn't discussed.

Mr W has since agreed a new policy with LV. And I can see this was again based on a premium of £425.98, and a discount was applied, bringing Mr W's premium to £389.41.

As LV's basic price was the same for both policies £425.98. I can't say they've acted unfairly in the way they have treated Mr W.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 1 April 2021.

Anne Scarr
Ombudsman