

The complaint

Mr L is unhappy that West Bay Insurance Plc (West Bay) voided his insurance and kept his premium payments.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. West Bay has accepted our Investigator's opinion, but Mr L has failed to confirm his acceptance or provide any further points for consideration. The facts are not in dispute, so I'll focus on giving the reasons for my decision.

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 these reasons:

- On the evidence, I'm not satisfied Mr L took reasonable care to avoid making a misrepresentation to his insurer
- West Bay have provided its underwriting criteria which I'm satisfied shows it wouldn't have insured Mr L had he declared he was unemployed, so its decision to treat it as a qualifying misrepresentation is fair and reasonable
- All parties agree that the misrepresentation was careless rather than deliberate
- West Bay should have refunded Mr L's premiums as there is no evidence to suggest that any costs incurred weren't already recovered
- I think it's clear from the evidence available that West Bay did not cause any unreasonable delays when notifying Mr L of its cancellation of the policy, paying Mr L for vehicle damages, and providing the engineer's report. Mr L hasn't provided any further comments to dispute this since our Investigator's opinion was issued
- West Bay have provided evidence to confirm that the amount they received for the vehicle was less than the £190 outlay, so there is no further refund due on this element of the complaint
- The cancellation fee Mr L has complained about was not charged by West Bay, and so wouldn't form part of the complaint against it
- On this basis, I conclude that West Bay acted reasonably when voiding the policy but should have refunded Mr L's premiums. West Bay have agreed.

For these reasons, my decision is to uphold Mr L's complaint

Putting things right

To put things right West Bay Insurance Plc should pay Mr L:

- A refund of Mr L's premiums from the point of renewal in November 2019
- Simple interest on this amount, from the date the amount should have been paid to

the date of settlement. The rate of interest is 8% a year[†] – this is for Mr L being deprived of this sum of money over this period

[†]HM Revenue & Customs requires West Bay Insurance Plc to deduct tax from the interest payment referred to above. West Bay Insurance Plc must give Mr L a certificate showing how much tax it's deducted if he asks it for one.

My final decision

My final decision is that this complaint should be upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 15 June 2022.

Paul Clarke
Ombudsman