

The complaint

Mr B complains that New India Assurance Company Limited cancelled his motor insurance policy. He wants the cancellation marker removed.

What happened

Mr B took out a policy with New India and his broker requested proof of his No Claims Discount (NCD) to validate the policy. This wasn't provided and so the policy was cancelled. Mr B said this was an honest mistake and he provided the document as soon as he realised the error. He wants the cancellation marker removed. New India said the broker had cancelled the policy and it didn't have any evidence to offer.

Our Investigator recommended that the complaint should be upheld. He thought the broker was acting for New India and so New India was responsible for the cancellation. In the absence of other evidence, he relied on Mr B's testimony. And he thought the policy had been unfairly cancelled. He thought New India should remove the cancellation marker and provide Mr B with a letter saying that the cancellation had been made in error.

New India didn't respond to the Investigator's view, so the complaint has come to me for a final 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.

I've seen from Mr B's Certificate of Insurance that New India is the underwriter for his policy. The underwriter, not the administrator, is regulated to effect and carry out contracts of insurance, including cancellation of a policy. And so the complaint should be against New India, not the policy's administrator. Also, the broker says that it was acting for New India and, as it was New India's agent, then I'm satisfied that New India is responsible for the cancellation of Mr B's policy. So I've looked to see whether the cancellation was fair and reasonable.

New India provided a timeline of events leading up to the cancellation. It said proof of NCD was requested and then chased by letter and email. But I can't see whether these were sent to the correct addresses. A notice of cancellation was then sent, and then the policy cancelled. Mr B didn't respond until four weeks later. He said he didn't know why the policy had cancelled. And he immediately took out a new policy and provided the required proof.

Without further evidence from New India to show that the emails and letters were sent to the correct addresses, I can't reasonably say that Mr B received them or should have acted sooner. Mr B said he hadn't received these requests for his NCD proof. And I have no reason to disbelieve him as he was able to provide it immediately he was told this was the reason for the cancellation. And so I think the policy was unfairly cancelled.

Mr B wants records of the cancellation removed. Cancellations aren't recorded on the Claims and Underwriting Exchange (CUE), but New India has told Mr B that he would have to disclose the cancellation to future insurers.

So, to put things right, I think New India should remove records of the cancellation from any databases where it's been recorded and provide Mr B with a letter saying that the cancellation was made in error. He can then show this to his current insurer to have his policy reredited.

Putting things right

I require New India Assurance Company Limited to do the following:

1. Remove records of the cancellation from any internal or external databases where it's been recorded.
2. Provide Mr B with a letter stating that the cancellation was made in error, that it has removed the cancellation, and that he doesn't need to declare this to future insurers.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require New India Assurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 August 2022.

Phillip Berechree
Ombudsman