

The complaint

Mr R complains that Right Choice Insurance Brokers Ltd never informed him his commercial vehicle insurance policy was cancelled.

Reference to Right Choice includes its agents.

What happened

Mr R took out a commercial vehicle insurance policy with Right Choice (an insurance broker) in May 2021.

In June 2021, Right Choice wrote to Mr R on behalf of the insurer saying it needed more information from him. It said if it didn't receive the information within seven days, it would cancel the policy.

Mr R didn't provide anything further. He thought he'd provided everything needed when he took the policy out.

Right Choice cancelled the policy on behalf of the insurer on 8 July 2021. But it didn't let Mr R know of this.

Mr R was stopped by the police for driving without insurance on 26 November 2021. He said he told the police he thought he was insured, and they believed his version of events. But said he was charged £100 by the DVLA. And he's concerned his insurance premiums - in terms of this policy and his private policy - will increase as a result of being stopped for driving without insurance. Mr R also said he received notification from a third-party insurer about a claim following an accident he was involved in in August 21. He's not heard anything following initial contact but he's worried that he'll have to pay any claim himself and doesn't think this is fair.

Mr R complained to Right Choice about the above. Right Choice didn't uphold his complaint, so, he brought it to us. It said it discounted Mr R's new policy to take into account the DVLA fine and didn't think it needed do any more.

One of our investigators recommended it be upheld. She didn't think Right Choice had done enough when cancelling Mr R's policy. So, she recommended it be recorded as cancelled by him. She also thought Right Choice should step in and deal with the third-party claim from August 2021. She also thought Right Choice should compensate Mr R £500 for the trouble and upset of being stopped by the police and the impact that may have on his future insurance premiums.

Mr R agreed. Right Choice didn't. It maintained it had cancelled Mr R's policy fairly as it told him when it would cancel the policy and it heard nothing from him after that notification. And it said it was a condition of Mr R's policy that he inform it of any accident's he's involved in. It said had Mr R told them about the incident in August, it would have told him at that point he wasn't insured. It says he then wouldn't have been stopped by the police for driving uninsured in November.

Our investigator subsequently changed her view on Mr R's complaint. She still didn't think the policy was cancelled fairly because Right Choice didn't tell Mr R when it was cancelled, only when it would be. She thought Right Choice should make sure the cancellation was recorded as cancelled by Mr R and that there was no record of the cancellation on any internal or external databases. And she still thought Right Choice needed to deal with the third-party claim – should it materialise – from the incident in August. She thought this because she thought up to this point Mr R thought he was insured. But she agreed Mr R needed to notify Right Choice (or the insurer directly) about that incident in August, whether he wanted to claim or not. And she thought that if he had done, he would have been informed then that he wasn't insured. So, she didn't think Right Choice was responsible for Mr R being stopped by the police after this point. So, she didn't think the £500 compensation was now due.

Mr R didn't respond to this. Right Choice still didn't agree. It maintains it did enough when cancelling Mr R's policy in July 2021. So, the case 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'm upholding it in part. I'll explain my reasoning.

- I'm not satisfied Right Choice did enough when cancelling Mr R's policy. I acknowledge it sent Mr R notification it *would* cancel his policy on a certain date. But it never sent confirmation it *did* cancel the policy. What's more it didn't cancel the policy on the date it said it would, it cancelled roughly three weeks later – I acknowledge this only benefited Mr R but it serves to show that simply saying what action you *will* take is not sufficient. In Right Choice's letter informing Mr R it would cancel the policy it makes it very clear that driving uninsured is against the law. It is precisely this reason why it's vital that policy holders are informed in writing that the policy *has cancelled* and the date of that cancellation. Ideally that communication should be done in two mediums too.
- Therefore, I agree the cancellation should be recorded as being cancelled by Mr R. There should be no record of the cancellation on any internal or external databases.
- I think had Right Choice done what it needed to, Mr R wouldn't have been uninsured during the incident in August 2021. This is further supported by him calling Right Choice the day he was stopped by police to arrange a new policy – he clearly didn't want to be driving uninsured. So, I do find Right Choice responsible for Mr R driving uninsured up to and including that incident – because he wasn't made aware otherwise. So, should any third-party claim be made against Mr R for that incident, Right Choice should step in and deal with it as though it were Mr R's insurer. It's important Mr R passes any information relating to this claim to Right Choice as soon as possible to allow it to deal with any claim swiftly and efficiently.
- But Mr R should have notified Right Choice (or the insurer of the policy directly) about that incident in August, whether he or the third party intended to claim not. It's a condition of the policy that he do so. Had he done this, I find it highly likely he'd have been informed at that point that he was uninsured. And had he been told he was uninsured, I think it highly unlikely he'd not then have been stopped by the police in November for being uninsured. This is because I find it likely he'd have purchased another policy with either Right Choice or another business upon being made aware he was uninsured – as supported by his action following being stopped by the police.

And in the unlikely event he didn't purchase another policy, that would have been his choice and not something Right Choice can be fairly held accountable for.

- Therefore, I don't hold Right Choice responsible for Mr R being stopped by the police for driving without insurance. And so, it follows that I don't hold it responsible for any impact relating to that stop including the DVLA fine or subsequent impact to his premiums.

My final decision

For the reasons set out above, I uphold Mr R's complaint in part. To put things right I require Right Choice Insurance Brokers Ltd to:

- Treat the cancellation of this policy as cancelled by Mr R. Any record of cancellation should be removed from any internal or external databases.
- Should any third-party claim be made relating to the incident in August 2021, Right Choice should deal with it as if it were Mr R's insurer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 3 February 2023.

Joe Thornley
Ombudsman