

The complaint

Mr B has complained that Advantage Insurance Company Limited cancelled his policy without a proper investigation and that it was unreasonable for them to do so in the circumstances.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, 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 our investigator, and for these reasons:

- Advantage didn't carry out a proper investigation before cancelling Mr B's policy. If they had done this and asked him to explain the reasons behind him obtaining quotes using different information, I think they could have satisfied themselves that Mr B hadn't done anything underhand or fraudulent.
- Advantage has more recently raised a concern about the information Mr B provided about previous claims. But they didn't raise this issue before cancelling his policy and give him a chance to explain why the information he'd provided didn't match the information they'd had obtained. Advantage haven't provided any evidence to show the one claim Mr B failed to declare would have made any difference to the terms they offered.
- Advantage's failure to carry out a proper investigation caused Mr B a great deal of unnecessary distress and inconvenience.
- It also led to him having a policy cancelled by Advantage recorded against his record. I think this was unfair because Advantage didn't carry out a proper investigation before cancelling his policy.

Putting things right

I consider the fair and reasonable outcome to Mr B's complaint is for Advantage to pay him £250 in compensation for distress and inconvenience. Advantage should also remove any record of the cancellation of his policy from their records and any central databases they have recorded it on. Advantage should also remove any fraud markers they have placed against Mr B's name.

My final decision

For the reasons set out above, my final decision is that I uphold Mr B's complaint about Advantage Insurance Company Limited and order them to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 April 2023.

Robert Short
Ombudsman