

The complaint

Mr B complained that One Insurance declined a theft claim under his motor insurance policy.

What happened

When Mr B made a claim after his car was stolen, One Insurance discovered that Mr B wasn't the car's owner and registered keeper at all. Instead that was a limited liability partnership (the firm) in which Mr B was a partner. One Insurance said that if they'd known this, they wouldn't have insured him at all. And so One Insurance declined the theft claim under The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA), avoided the policy from the start and returned the premiums. Mr B complained to us via his solicitors. He thought that One Insurance hadn't proven that they would not have provided the policy if Mr B had given them the correct information. He wanted One Insurance to allow his claim.

The investigator didn't recommend that the complaint be upheld. He thought that One Insurance's decision to decline the claim was reasonable and they'd followed CIDRA. Mr B didn't agree and so the complaint was 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.

Mr B took out the policy via an online insurance comparison website. He said then that he was the car's owner and registered keeper. However when, after the car was unfortunately stolen, One Insurance checked its V5 registration form and found that Mr B's firm was the owner and keeper. One Insurance said they wouldn't have insured him at all if they'd known this. They showed us their underwriting criteria which confirmed this. They refused to pay the theft claim. They also avoided the policy, which means that they treated it as not having existed from the start, and returned the premiums paid. This was because they thought that Mr B had made a careless qualifying misrepresentation under CIDRA.

Mr B was asked "*Are you (or will you be) the registered keeper and legal owner?*" This is a clear question. Mr B accepts that he did say that he was the registered keeper and owner of the car. However he felt he had taken reasonable care to answer correctly. He said that when he took out the policy, he didn't have the V5 form. He assumed that it had been completed in his name and sent to his firm's address direct by the dealership. His firm took responsibility for storing the V5 and he hadn't seen it.

However Mr B knew that his firm was financing the car and that the dealer was sending all the car's paperwork to his firm, rather than to him personally. So I think it would have been reasonable for him to at least check who owned it, his firm or him personally. One Insurance have also shown that they gave Mr B a notice warning him that he must give honest answers taking reasonable care and that he should also tell them about any inaccuracies on the

Statement of Fact form, as failure to do that could leave him uninsured. The Statement of Fact form shows Mr B as the owner and registered keeper.

I don't think that Mr B took reasonable care when he took out the policy to correctly answer the question about ownership or to later tell them about an inaccuracies. So it wasn't unreasonable of One Insurance to decide that Mr B had made a qualifying misrepresentation which, although not deliberate or reckless, was careless under CIDRA. And One Insurance have shown us their underwriting criteria which confirms that without Mr B's misrepresentation they would not have provided the policy at all. If the owner was a firm or company that didn't meet their eligibility criteria. And so the actions they took did follow CIDRA.

Mr B thought that his firm being the owner and registered keeper of the car shouldn't affect this so much. However it's up to insurers to decide what they want to insure and what information to consider when deciding the risk they want to take, and who owns a car is material to that risk. In any event, the factors an insurer considers in doing so, and the weight they place on those factors, is the insurer's choice, and it's not our role to question those. And because their underwriting guidelines are commercially sensitive information, insurers don't have to disclose it, and we can't require them to, even if Mr B is unhappy about that.

Mr B doesn't believe One Insurance wouldn't have insured the car if he'd said that his firm was the owner. He has shown us what he says are screenshots of online quotes he later obtained from One Insurance's website. He says they show that One Insurance will insure a company and so would have insured his firm at the time. This is based on the specific wording on the quotes website as to who is the insurance provider.

However One Insurance maintain that because One Call Insurance are also the broker and main point of contact their name shows as provider when they provide quotes, but this does not mean that they are the provider of the underlying insurance; insurance for a company would be provided by other insurers and not them. I find their explanation to be reasonable and credible, and that the screenshots' reference to One Call Insurance as insurance provider is plausibly explainable by them simply having used the One Call name in the wrong context. That does not undermine the underwriting evidence produced to us that One Insurance would not have provided the policy to Mr B .

I do see that this situation has been distressing for Mr B. It is very unfortunate that the car was stolen, through no fault of Mr B's own, and that his firm has incurred a loss as a result. However One Insurance have followed CIDRA guidelines in dealing with the matter and they have not been unreasonable. As they haven't done anything wrong, I don't require them to do anything else.

My final decision

For the reasons given above, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 June 2023.



Rosslyn Scott
Ombudsman