

## **The complaint**

Mrs B complains that Aioi Nissay Dowa Insurance UK Limited cancelled her motor insurance policy. She wants it to remove records of the cancellation and reimburse her for her increased premium.

## **What happened**

Mrs B took out a new policy with Aioi Nissay Dowa. She was told to provide her proof of No Claims Discount (NCD) within 14 days of the start of the policy, 17 September 2022. Aioi Nissay Dowa said it sent Mrs B a letter and email on 6 September 2022 asking her for proof of her NCD and other information. Mrs B said she didn't receive these. Mrs B sent in her proof of NCD when her old policy expired. But she later found that Aioi Nissay Dowa had cancelled her new policy because she hadn't provided the required information.

Our Investigator recommended that the complaint should be upheld. She thought Mrs B wouldn't have been able to provide her proof of NCD until after her old policy had expired, which she had done. She thought Aioi Nissay Dowa should have sent Mrs B another reminder to provide her information before it cancelled her policy. And so she thought it should remove records of the cancellation, provide Mrs B with a letter of indemnification and pay her £100 compensation.

Aioi Nissay Dowa said it had made sufficient attempts to contact Mrs B using two different methods, although it couldn't provide evidence to show this.

## **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.

Mrs B said she received an email from Aioi Nissay Dowa on 5 October 2022 saying that her policy had been cancelled ten days previously. I can understand that this must have been a shock for her.

This service believes that insurers should take reasonable steps to ensure that policy holders are told that their policy has been cancelled as this will have serious consequences for them and expose them to possible court action. Fortunately, nothing untoward happened in the time when Mrs B was without insurance.

Mrs B said she was following the instructions provided by Aioi Nissay Dowa in its Welcome email and hadn't received the email and letter it sent on 6 September 2022. She said she sent in her proof of NCD on 22 September 2022, which was within 14 days of the policy's start date, 17 September 2022. This was received and added to her policy.

Aioi Nissay Dowa said the request for validation information it sent to Mrs B on 6 September 2022 was from its underwriters. It said it was a different request from its Welcome letter and Mrs B should have acted on it. Aioi Nissay Dowa said it sent a letter and email to Mrs B's correct addresses and she had received other correspondence from it using these addresses.

But Mrs B said she didn't receive this request. And I'm persuaded that her account is correct. I'll now explain why I think this. Mrs B obviously intended her policy to proceed. She had paid for it in full. She complied with the Welcome letter's request, and I think she would have responded if she had received the underwriters' request. I can't see why Aioi Nissay Dowa didn't prompt Mrs B for the missing documents when it received her NCD proof within the required time.

I can see in Aioi Nissay Dowa's file that it noted that there may have been issues with the email sent, though it later said it hadn't received a notification of failed delivery. It thought it had also sent Mrs B a text, but there was no record of this. And Aioi Nissay Dowa isn't able to provide us with evidence that the letter was sent as evidence hasn't been retained by its service provider.

I also think Aioi Nissay Dowa didn't give Mrs B sufficient time to respond to its requests if she had received them. This is because her old policy expired on 16 September 2022, and it would take time for her old insurer to provide the proof of NCD and for Mrs B to provide another document requested.

Aioi Nissay Dowa didn't contact Mrs B again to remind her to provide her documents. And I think it should have done this given that it made its request before the policy actually started. And I think it should have sent Mrs B a notification of the pending cancellation. So I think Aioi Nissay Dowa unfairly cancelled Mrs B's policy.

To put things right for Mrs B, I think Aioi Nissay Dowa should remove records of the cancellation and provide her with a letter of indemnity that she can show her current insurer to have her new policy re-rated. I also think it should compensate Mrs B for her trouble and upset caused by the unfair cancellation and the late notice of this. Our Investigator recommended £100. I think this is in keeping with our published guidance and so I think that's fair and reasonable.

### **Putting things right**

I require Aioi Nissay Dowa Insurance UK Limited to do the following:

1. Remove records of the cancellation from any internal and external databases where it's been recorded.
2. Provide Mrs B with a letter of indemnity stating that the policy was cancelled incorrectly, and she need not declare this to future insurers.
3. Pay Mrs B £100 compensation for the distress and inconvenience caused by its unfair cancellation of her policy.

### **My final decision**

For the reasons given above, my final decision is that I uphold this complaint. I require Aioi Nissay Dowa Insurance UK Limited to carry out the redress set out above.

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

Phillip Berechree  
**Ombudsman**