

The complaint

Ms F and Mr K complains that One Insurance Limited (“One”) declined a claim and cancelled their motor insurance policy.

What happened

Ms F and Mr K had a motor insurance policy from One covering their car.

When Mr K bought the policy, which is in his name, he declared that the car’s owner and registered keeper was him. The name on the car’s V5 registration document as its registered keeper was Ms F.

Their car was stolen in March 2023. They made a claim. One investigated it and found that Mr F and Mr K had misrepresented the keeper of the car. Its underwriting criteria meant it could only cover cars whose “owner/keeper” was the proposer, their spouse or a leasing company.

One declined the claim. It cancelled their policy and refunded the premium. It did this because it said it couldn’t have insured Ms F and Mr K.

Ms F and Mr K brought their complaint to this service. Our investigator looked into Ms F and Mr K’s complaint and thought it would be upheld. He thought it was clear One’s acceptance criteria meant it wouldn’t insure Ms F and Mr K on the basis of the ownership of the car due to the nature of their relationship. But he thought their’s was an innocent mistake and so One’s decision to turn their claim down on a technicality meant their position wasn’t fair. He said One should pay the claim under the remaining terms and conditions of the policy.

One didn’t agree. Because it didn’t agree, this complaint has been passed to me to make 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.

Having done so, I’m upholding it and I’ll explain why.

In its final response One said:

“As part of our file checks before your claim can proceed, we request a copy of your V5. When reviewing the V5 it was found that the legal owner of the vehicle was the named driver on the policy, not yourself as the policy holder as declared when you purchased the policy.”

On its underwriting criteria it says it accepts:

“Vehicle Owner/Keeper: Proposer, Spouse, Leasing Company”

When Ms F and Mr K applied for the cover, they said they were in a relationship of:

“Common Law Spouse”

Ms F and Mr K have provided further information about their relationship and ownership of the car. They regard themselves as being in a relationship commonly known as a common law marriage. It's my understanding that, although this seems to have no real legal status under English law, their relationship is of a nature where they share ownership of their assets and regard themselves as being in the same type of relationship as a spousal one, even though they recognise that they are not married.

In correspondence with Ms F and Mr K, and later with this service, One has talked about legislation called the Consumer Insurance (Disclosure and Representations) Act 2012. This legislation deals with customers who misrepresent their status when applying for insurance and potentially allows One to void a policy if Ms F and Mr K misrepresented, and as a result of that misrepresentation One wouldn't have covered them at all. This is the route One has taken with Ms F and Mr K.

It seems to me that from their answers Ms F and Mr K misrepresented an answer about who kept their car. I say this because the V5 says Ms F was the registered keeper. But with ownership, they both regarded the car as being one of their joint assets.

I understand One's approach here is that the legislation possibly allows it to void the policy, but I regard the basis on which it's done this as a technicality. The nature of Ms F and Mr K's relationship seems akin to a spousal one and I'm not persuaded that by answering one question incorrectly, about the keeper of the car, One has been put into a significantly worse position.

But the outcome of this case means that Ms F and Mr K's car was stolen and One refused to settle their claim. So I think Ms F and Mr K have been put into a position that is significantly disproportionate to the mistake they made.

Taking everything into account, I don't think One's response leaves Ms F and Mr K with a fair or reasonable outcome.

So, I think One should settle their claim on the remaining policy terms. I'd also expect interest at 8% simple to be added to the settlement amount, from two weeks after the car was stolen to the date payment is made.

In later correspondence with this service Ms F and Mr K talk about their difficulties with moving their family around and the stress this has caused. I can't see that this formed part of their approach to One, so I'd say that if they wish to make a further complaint about this then they are free to do so and bring it to this service in due course if they remain unhappy.

My final decision

It's my final decision that I uphold this complaint. I direct One Insurance Limited to:

- Settle Ms F and Mr K's claim on the remaining policy terms.
- Interest at 8% simple should be added to the settlement amount for a period of two weeks after the car was stolen to the date payment is made.
- One Insurance Limited must pay the amount within 28 days of the date on which we tell it Ms F and Mr K accept my final decision. If it pays later than this, it must also

pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F and Mr K to accept or reject my decision before 12 January 2024.

Richard Sowden
Ombudsman