

The complaint

Miss A complains that U K Insurance Limited (“UKI”) mishandled her motor insurance policy.

What happened

Much of the subject matter of the complaint is a hatchback car first registered in 2004.

The most recent V5 registration document for the car is dated August 2020.

The car passed an MOT test in mid-January 2022 with a recorded mileage of about 154,000.

Miss A went online and took out a policy with UKI for the year from mid-June 2022. Miss A gave the address of a house, that she later said was her father’s.

The car passed an MOT test in mid-January 2023 with a recorded mileage of about 160,000.

On about 20 May 2023, UKI issued a renewal notice for the policy on the car.

Miss A (or someone using her name) went online and got other quotes from UKI, some using the address of the same house and some using the address of a flat, that she later said was hers.

On about 30 May 2023, Miss A (or someone using her name) went online and gave details of a sports utility vehicle, first registered in 2018. UKI issued a renewal reminder showing the SUV as the vehicle to be insured.

From about 16 June 2023, Miss A renewed the policy for the 2004 car using the address of her father’s house. The policy documents included the following:

<i>“Registered keeper</i>	<i>Policyholder's Parent</i>
<i>Purchase date</i>	<i>September 2011</i>
...	
<i>Where it's kept overnight</i>	<i>on the driveway at [postcode of father's house]</i>
<i>Estimated mileage</i>	<i>No more than 1,000 miles each year”</i>

On about 23 June 2023, Miss A contacted UKI about the revised renewal letter showing the 2018 SUV.

By a letter dated about 27 June 2023, UKI gave Miss A seven days’ notice of cancellation of the policy with effect from about 4 July 2023. UKI also said that she would be unable to take out any products underwritten by UKI or associated brands.

Miss A contacted UKI again on about 3 July 2023. Faced with the notice of cancellation, Miss A cancelled the policy before UKI did so.

Miss A complained to UKI that it had declined to cover her, it had allowed a fraudulent policy in her name on a vehicle she didn’t have, it had failed to call her back as promised and it had

broken data protection legislation. She said UKI had charged her a cancellation fee of £53.76 and £16.05 for the cover from mid-June to early July 2023 (a total of £69.81).

By a final response dated mid-July 2023, UKI said that Miss A (or a family member using her portal) had given conflicting information for different quotes. UKI said that it only held data about Miss A that she had given online. UKI upheld the complaint that it had failed to call Miss A back as promised. It said that, as a goodwill gesture, it was refunding the £69.81.

Miss A brought her complaint to us without delay. She asked us to direct UKI to reverse all its action against her, to rectify data and to pay compensation.

our investigator's opinion

Our investigator recommended that the complaint should be upheld in part. He was unable to say UKI acted unfairly or unreasonably by barring Miss A from using their brands and products. However, he didn't think that UKI had sufficient evidence of fraudulent activity to fairly cancel Miss A's policy.

The investigator recommended that UKI should:

1. refund all premiums and fees related to the policy; and
2. remove any cancellation/fraud markers from external databases; and
3. pay Miss A £200.00 compensation for distress and inconvenience.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Miss A and to UKI on 9 January 2024. I summarise my findings:

I saw no reason why UKI should refund premiums or fees for the completed policy year from June 2022 to June 2023. I didn't consider that UKI had to refund all that it charged for the short period from the renewal of the policy in June 2023 to the cancellation in early July 2023. But I was satisfied that it did so.

I wasn't minded to find it fair and reasonable to direct UKI to refund all premiums and fees related to the policy.

I considered that Miss A must bear responsibility for giving UKI conflicting and unsatisfactory information about her address and the length of ownership of the car (and also about her estimated mileage). So I wasn't minded to find it fair and reasonable to direct UKI to pay Miss A compensation for distress and inconvenience.

Subject to any further information either from Miss A or from UKI, my provisional decision was that I upheld this complaint in part. I intended to direct U K Insurance Limited to remove any adverse information about Miss A that it has recorded on any external anti-fraud database.

Miss A hasn't responded to the provisional decision.

UKI accepted the provisional decision.

I see no reason to change my view.

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.

UKI had told us that Miss A's "financial footprint" shows that she moved from her father's house to her own flat in 2022. However, I haven't seen enough evidence to show that such a change happened before she took out the policy for the car from mid-June 2022. So I can't say that Miss A made a misrepresentation to UKI about her address at that time.

UKI has told us that Miss A said in June 2022 that she'd owned the car since 2011.

However, I haven't seen enough evidence to show what question UKI asked in June 2022 or what answer Miss A gave. So I can't say that Miss A made a misrepresentation to UKI about her or her father's length of ownership of the car at that time.

In her complaint, Miss A included the following:

"...yes I had checked the policy costs for my other address and how much it would be to insure myself on the [2018 SUV] ... I reside at both properties. One is my parental home and the other the flat I have for myself. Checking if I could insure myself on the [2018 SUV] was for my own research..."

So – unlike the investigator – I don't accept that a family member had given UKI information and got quotes without Miss A's knowledge.

UKI issued a revised renewal notice in late May 2023. I don't accept Miss A's complaint that UKI issued a policy for the 2018 SUV – or did so without her knowledge.

I'm satisfied that UKI's policy terms allowed it to cancel the policy for a "valid reason". That included a suspicion of fraud, but also included a valid reason that fell short of suspected fraud.

I accept that – after her contact on about 23 June 2023 - UKI had real concerns that Miss A had got about ten quotes based on varying information – and then renewed the policy on the quote she preferred, using her father's address notwithstanding that she had a flat of her own.

Overall, I consider that UKI had a valid reason and didn't treat Miss A unfairly by giving notice of cancellation of the policy from early July 2023, causing her to cancel the policy.

I see no reason why UKI should refund premiums or fees for the completed policy year from June 2022 to June 2023. I don't consider that UKI had to refund all that it charged for the short period from the renewal of the policy in June 2023 to the cancellation in early July 2023. But I'm satisfied that it did so.

So – unlike the investigator – I don't find it fair and reasonable to direct UKI to refund all premiums and fees related to the policy.

Whilst I don't doubt that Miss A suffered distress and inconvenience in late June and early July 2023, I consider that she must bear responsibility for giving UKI conflicting and unsatisfactory information about her address and the length of ownership of the car (and also about her estimated mileage). So – unlike the investigator – I don't find it fair and reasonable to direct UKI to pay Miss A compensation for distress and inconvenience.

Miss A cancelled the policy. So I see no reason to think that UKI has recorded information that it cancelled the policy.

Putting things right

Nevertheless, I don't consider that it would be fair for UKI to maintain any adverse information about Miss A on any external anti-fraud database. So I will direct UKI to remove any such information.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct U K Insurance Limited to remove any adverse information about Miss A that it has recorded on any external anti-fraud database.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 21 February 2024.

Christopher Gilbert

Ombudsman