

The complaint

Mrs P complains about cancellation of a motor insurance policy by her insurer, Liverpool Victoria Insurance Company Limited (LV). She says the policy was taken out in her name.

References to LV in this decision include their agents.

Mrs P was supported by a representative in making her complaint. References to Mrs P include her representative.

This decision covers Mrs P's complaint about LV recording cancellation of her motor insurance policy. It doesn't directly cover other financial issues she's referred to, including what she says are actions of her son-in-law in respect of loans and property leases, other than as context for this complaint.

What happened

Mrs P took out a motor insurance policy with LV in April 2019, with herself listed as the main driver and her daughter as a second, named driver. As Mrs P didn't speak English, her son-in-law carried out much of the work to take out the policy. It appears he provided a false address when taking out the policy, being a business address of a company of which Mrs P was a director.

As part of their validation of the policy, LV examined the address document (a utility bill) and were told by the utility company concerned the reference number on the document related to another customer at another property. They also didn't provide utility services to the address recorded on the document.

LV noted the document was provided through the same email address as other documents. LV concluded the policy had been taken out using a fraudulent document, so they cancelled the policy in May 2019 and recorded the cancellation.

Mrs P subsequently became aware of the cancellation and (in September 2022) her daughter called LV to say they weren't previously aware of the cancellation.

Mrs P was unhappy at the cancellation, and it being recorded against her name, given the impact on her ability to take out insurance cover in the future. LV reviewed what happened and said they'd spoken to the named driver on the policy on the same phone number Mrs P had called them on. So, they wouldn't change their decision to cancel the policy and record the details. Mrs P (through her daughter) then complained to LV.

LV didn't uphold the complaint. In their final response, they said their Policy Validation Team identified fraud when the policy was taken out, as false documents were provided, through the same email address used for other documents. They maintained their decision to cancel the policy and record details of the cancellation.

Mrs P then complained to this Service. She was unhappy at the cancellation recorded against her name, which had affected her financially and emotionally. She wanted LV to remove the record of the cancellation.

Mrs P also told us her son-in-law took out a loan in her daughter's name as well as a property lease and a mobile phone contract. He'd also used her daughter's email address and exerted control over financial transactions for her and her daughter.

Our investigator didn't uphold the complaint, concluding while Mrs P had difficulties with her son-in-law, LV hadn't treated her unfairly. So, he wouldn't be asking LV to remove details of the cancellation. He thought Mrs P wanted cover when the policy was taken out. As English wasn't her first language, it appeared her son-in-law arranged for the policy to be taken out. Looking at LV's case notes for the time the policy was taken out, LV were seeking to validate the documents (proof of address) and spoke to both male and female contacts. Looking at the utility bill provided, the address matched the address of a business for which Mrs P was recorded as a director. Based on these points, the investigator concluded LV had done enough to show the utility bill wasn't genuine. So, LV weren't able to validate the policy and the investigator concluded they acted reasonably to cancel it. And as the policy was taken out in her name, it was Mrs P's responsibility to ensure documentation provided in support of the policy was accurate and genuine.

The investigator noted LV agreed to review further documentation Mrs P said she would provide to show fraudulent actions by her former son-in-law, and to reconsider their position if that evidence was persuasive. The investigator thought this reasonable.

Mrs P disagreed with the investigator's view and asked an ombudsman to review the complaint. She said her former son-in-law used her mobile phone in discussion with LV.

In my findings I concluded LV acted reasonably in deciding a false document was provided (the utility bill/proof of address) and in cancelling the policy because they'd been provided with false information. I noted what LV said, that if Mrs P could provide other documentation, evidence and information to support her case, they would consider it and – if persuasive – consider changing their position on the cancellation. I thought LV's offer and position on the cancellation of the policy was reasonable in the circumstances of the case.

Having reached the conclusion LV acted reasonably in cancelling the policy, I then considered whether it was fair and reasonable to record the cancellation against Mrs P on the relevant databases (both internally and externally).

I wasn't persuaded it was in the specific circumstances of this case. I thought there was sufficient evidence to conclude it was Mrs P's former son-in-law who provided the false utility bill (proof of address) when the policy was taken out. And given what Mrs P said about the control and abuse from her former son-in-law, a non-molestation order against him, her lack of English language understanding, I thought it unfair for the cancellation of the policy to be recorded on databases internally and externally (including any fraud databases if relevant) against Mrs P, as I thought on the balance of probabilities this was part of the domestic and economic abuse carried out by her former son-in-law and she wasn't aware (or complicit) in the provision of the false utility bill. So, it would be unfair for her to be penalised for this.

Having reached this conclusion, I thought LV should remove details of the cancellation against Mrs P from the relevant internal and external databases.

Because I reached different conclusions to our investigator, I issued a provisional decision to give both parties the opportunity to consider matters further. This is set out below.

What I've provisionally decided – and why

My role here is to decide whether LV have acted fairly towards Mrs P.

In doing so, I've considered very carefully what Mrs P has told us about her circumstances, what happened when the policy was taken out, and the actions of her former son-in-law she says he took. Both the taking out of the policy and about other matters. I sympathise with her position and understand why she feels she's been the victim of a fraud. This has been at the forefront of my mind when considering this complaint and I hope what I've said makes clear how I've reached my decision.

The key issue in Mrs P's complaint is whether LV acted fairly in cancelling her policy and recording the cancellation. Mrs P says the false proof of address document was provided by her former son-in-law, using her phone number and email address. LV say they acted reasonably to validate the document and, when they concluded it was false, cancelled the policy due to fraud.

In considering the issue, I've first considered what LV require, under the terms of the policy, to validate details provided by a consumer when they apply to take out a policy. The relevant extracts from the policy booklet, under a heading Documents and information you may need to give us, states:

"To help us validate your details, you may be asked to send us documents, information or allow us to have access to databases.

*Examples of documents or information we may require include your driving licence, your driving licence number, your vehicle registration document, proof of NCD, **proof of your address**, and a **copy of your utility bill** [my emphases].*

Failure to provide the requested documents, information or authority to access any requested databases may result in your policy being cancelled..."

There's also a section headed Misrepresentation, fraud and financial crime that states:

"If you or anyone representing you:

- Provides us with misleading or incorrect information to any of the questions asked when applying for, amending or renewing this insurance;*
- ...*
- Provides us with false documents;*
- ..."*

We may:

- Cancel or void your policy...*

I don't think these requirements are unreasonable and are standard practice in the insurance industry. The extracts also make it clear failure to provide documents or information, or if the documents or information provided are false, may lead to cancellation of the policy. Which is what LV did when they concluded the utility bill provided was false.

Given the time since the policy was taken out, to the point Mrs P made her complaint to this Service, recordings of the discussions between LV and (it is assumed) her former son-in-law and other parties aren't available. So, I can't draw any conclusions from them.

But I have considered what Mrs P has said and the evidence and information and evidence provided, together with what LV have provided, including their case notes from the period. The latter confirm they checked the utility bill provided with the utility company, who confirmed the reference number on the bill didn't match the name and address of Mrs P (it was for a different customer). Based on this, LV concluded a genuine utility bill had been

amended to reflect Mrs P's details. The utility company confirmed they didn't have a customer at Mrs P's address – it was a postcode for an area they didn't supply.

The case notes also record LV attempting to confirm the policyholder (Mrs P) address through other options. This is what I would expect and is reasonable.

Considering all these things together, I've concluded LV acted reasonably in deciding a false document was provided (the utility bill/proof of address). They checked the document with the relevant utility company referred to in the document, who confirmed – as an independent third party – the reference on the document was for another, different customer and they didn't supply the address purporting to be genuine.

LV have said that if Mrs P can provide other documentation, evidence and information that may support her case, they would consider it and – if persuasive – consider changing their position on the cancellation. I also note what Mrs P has said about her pursuing legal action, which would be the subject of separate proceedings, outside the remit of this Service.

I think LV's offer and position on the cancellation of the policy is reasonable in the circumstances of the case.

Having reached the conclusion LV acted reasonably in cancelling the policy because they'd been provided with false information, I've then considered whether it was fair and reasonable to record the cancellation against Mrs P on the relevant databases (both internally and externally).

In considering this issue, I've thought carefully about what Mrs P has told us about the actions of her former son-in-law and I recognise her strength of feeling. She's told us he exercised control over her mobile phone and email address to communicate with LV, thereby (as she sees it) purporting to represent her in taking out the policy. I've noted the policy in 2019 named Mrs P as the policyholder and main driver (as well as the registered owner and keeper of the insured vehicle) and her daughter as the only other named driver. This indicates the policy was taken out for Mrs P's benefit – her son-in-law is not included in the policy.

I also recognise what she's said about other financial arrangements she says he has taken out under her name, together with what she's said about the action taken against her former son-in-law regarding [non] contact and other matters. While these other arrangements aren't with LV, so aren't for me to consider directly under this complaint and in this decision, I have considered them as context for what Mrs P has said about the actions of her former son-in-law and the control she says he exercised over her financial affairs.

I can see Mrs P has raised these matters with the appropriate authorities, and it's for them to consider whether there is a case for either civil or criminal action. Ultimately this aspect isn't something this Service can become involved in as a part of this complaint against LV.

Coming back to the issue of whether it was fair and reasonable of LV to record details of the cancellation on internal and external databases, having considered the above points, I'm not persuaded it was in the specific circumstances of this case from what I've seen. I think there is sufficient evidence to conclude it was Mrs P's former son-in-law who provided the false utility bill (proof of address) when the policy was taken out. And given what Mrs P has said about the control and abuse from her former son-in-law, a non-molestation order against him, her lack of English language understanding, I think it's unfair for the cancellation of the policy to be recorded on databases internally and externally (including any fraud databases if relevant) against Mrs P, as I think on the balance of probabilities this was part of the domestic and economic abuse carried out by her former son-in-law and she wasn't aware (or

complicit) in the provision of the false utility bill. So, it would be unfair for her to be penalised for this.

Having reached this conclusion, I think LV should remove details of the cancellation against Mrs P from the relevant internal and external databases.

My provisional decision

For the reasons set out above, it's my provisional decision to uphold Mrs P's complaint in part. I intend to require Liverpool Victoria Insurance Company Limited to:

- *Remove details of the cancellation against Mrs P from the relevant internal and external databases (including any fraud databases).*

LV didn't respond to the provisional decision by the deadline requested.

Mrs P responded to disagree with the provisional decision. She said LV may have been correct in their decision [to cancel the policy at the time it was taken out] but the decision wasn't correct now, and as the innocent party she was being punished. She said her son-in-law had planned what had happened as part of his abuse of her and her daughter. Mrs P set out a series of actions she said her son-in-law took against her and her daughter which demonstrated domestic and economic abuse, as well as fraud. She also provided information on alleged frauds by her former son-in-law (against her daughter) that had been reported to the fraud authorities.

She also thought LV should have been aware her son-in-law was purporting to represent her and they weren't aware a false proof of address had been provided. And they weren't able to provide other documentation as her former son-in-law was controlling their email, phones and financial affairs.

Mrs P thought her complaint should have been upheld fully, not in part.

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.

My role here is to decide whether LV have acted fairly towards Mrs P.

I've considered carefully what Mrs P has said in response to the provisional decision. It supports my conclusion it was her former son-in-law who provided the false proof of address and that she wasn't aware or complicit in what happened. It also supports what's she's told us about the domestic and economic abuse she – and her daughter – have suffered. I recognise the impact this has had on Mrs P, but it doesn't change my conclusion it was reasonable for LV to cancel the policy because a false proof of address was provided when the policy was taken out.

LV said that if Mrs P can provide other documentation, evidence and information to support her case, they would review it and – if persuasive – consider changing their position on the cancellation. I still think that's reasonable, so it would be for Mrs P to provide them with the information and evidence she's provided to this Service, so LV can consider it and decide whether it changes their view on the cancellation.

While I haven't changed that conclusion, I've not seen anything to change my conclusion it's unfair for the cancellation to be recorded against Mrs P, given that would affect her ability to

take out insurance in the future (and/or the terms likely to be offered, including premiums). So, I've still concluded LV should remove details of the cancellation against Mrs P from the relevant internal and external databases, including any fraud databases.

My final decision

For the reasons set out above, it's my final decision to uphold Mrs P's complaint in part. I require Liverpool Victoria Insurance Company Limited to:

- Remove details of the cancellation against Mrs P from the relevant internal and external databases (including any fraud databases).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 18 March 2024.

Paul King
Ombudsman