

## **The complaint**

Mr O complains that Watford Insurance Company Europe Limited discriminated against him when it cancelled his motor insurance policy.

Where I refer to Watford, this includes the actions of its agents and claims handlers for which it takes responsibility.

## **What happened**

In September 2023, Mr O took out a motor insurance policy with Watford. He was sent an email to confirm the policy was in place and that he didn't need to provide any validation documents.

Several weeks later, Mr O was asked to provide proof of address and his V5 document. He was given seven days to provide this, or the policy would be cancelled. But Watford cancelled the policy before the seven days had expired.

Mr O queried why he needed to provide validation documents when he'd initially been told this wasn't required. He was informed that his policy had been set up fraudulently. He spoke to Watford and raised a complaint, as he felt he'd been discriminated against as he's a traveller and has disabilities. He tells us he was lied to on this call and spoken to inappropriately.

Watford says that whilst it didn't initially need any validation documents, it was later contacted by Mr O's previous insurers who had concerns about the address Mr O had used to set up this policy which was different to what he'd given to them. Watford says it needed Mr O to prove his address was what he'd declared, and this wasn't anything to do with him being a traveller or his disabilities. It says the policy was cancelled early in error.

In response to Mr O's complaint, Watford paid £50 compensation for its error. It also refunded the premiums of £194.93 in full despite Mr O being required to pay for the time on cover, and it waived the cancellation fee.

Mr O remained unhappy, so he brought his complaint to our service.

Our Investigator looked into what had happened and listened to all the calls Mr O had with Watford. She was satisfied Watford were entitled to ask for validation documents and she wasn't persuaded Mr O had been discriminated against. But she did think Mr O had been caused distress and inconvenience as a result of Watford's actions which warranted a higher amount of compensation. She recommended Watford increase its compensation to £200 to put things right.

Neither Mr O nor Watford agreed with our Investigator's recommendations, so the complaint has been 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.

I recognise Mr O's strength of feeling regarding his complaint and that he wanted to speak to me before I made my decision. I don't consider this to be necessary as I have a clear understanding of the issues based on the information Mr O has provided to us.

I've read and considered all his submissions, and whilst I may have condensed what he's told us in far less detail and in my own words, I'm satisfied I've captured the essence of the complaint and I don't need to comment on every point individually, or possibly in the level of detail he would like, in order to reach my decision. This isn't meant as a discourtesy, but it simply reflects the informal nature of our service.

I think it was fair and reasonable, and in keeping with standard industry practice and the policy's terms and conditions for Watford to request information from Mr O to validate his policy. In this case, Watford wanted to validate Mr O's address in response to some concerns raised to it by Mr O's previous insurers which I'm satisfied is a reasonable request in the circumstances.

As Mr O didn't provide the validation documents, Watford were entitled to cancel the policy by giving seven days' notice which is what the policy terms and conditions say it'll do. It was unfair that it did so a day earlier than it should have. But I have to consider, on the balance of probabilities, whether this made any difference. It's clear from the calls Mr O had with Watford that he didn't intend to provide the requested documentation. So I'm persuaded that, even if Watford had waited an additional day like it should've, the outcome would've been the same.

But I do understand why Mr O is frustrated. He was given several conflicting reasons as to why this information had been asked for and he'd been told his policy had been set up fraudulently. Whilst this may have been a concern that Watford had, I can't see there was any proof of fraud at that stage and an accusation of this nature would've no doubt been distressing for Mr O. Especially as, by this time, Watford had been informed by Mr O's previous insurer that they'd clarified their concerns over the different addresses, and they'd confirmed they weren't taking any further action.

As the information requested was in relation to his address, Mr O felt he'd been targeted as a result of being part of the travelling community. He feels very strongly that he'd been discriminated against, and that Watford has failed to make reasonable adjustments.

To be clear, I can't make a finding on whether The Equality Act 2010 has been breached. Our service is an informal alternative to the courts, and only a court of law can make a legal finding based on the definitions set out within the Act. But I can consider whether Watford has acted in a fair and reasonable manner, and to do that I will take several things, including relevant law, into consideration. And in this case, that includes the Equality Act 2010.

Having listened to the calls between Mr O and Watford, it's clear Mr O was upset and these discussions became heated. Both Mr O and Watford's advisor spoke over each other in order to get their points across. Mr O asked several times to speak to the advisor's manager and was told this wasn't an option, although on a later call Mr O was advised that there was a manager he could speak to. He was also told calls weren't recorded but was later advised they are.

From what I've seen, I'm not persuaded Mr O was singled out, for example, because he is a traveller, but I can understand why he may have felt this way. And I don't think Watford did enough to alleviate his concerns because, as I've explained, it didn't give him a clear and consistent explanation as to why the documents were required.

I think Watford should've handled this situation far better than it did and failing to do so has caused Mr O distress and inconvenience that could've otherwise been avoided had it acted more openly and transparently. I don't intend to go into detail regarding what Mr O has told us about his disabilities, but I'm satisfied that it was clear he required more support in understanding what was required of him and why, and I don't think these needs were met.

So I've decided to uphold this complaint for the reasons set out above. And I'm satisfied this is further supported when you also overlay the Consumer Duty placed on firms, in particular to consumer understanding and consumer support. Insurers should provide helpful and accessible support to their consumers and consider if someone is in a vulnerable situation when dealing with them. Watford had a responsibility to take into account its method of communication and any vulnerability characteristics that might relate to how Mr O receives the communication.

### **Putting things right**

While I appreciate Watford has refunded Mr O's premiums in full, waived the cancellation fee, and offered £50 compensation for its error of cancelling the policy earlier than it should have, I agree with our Investigator that further compensation over and above this is justified here to reflect the impact this experience has had on Mr O as explained above.

Taking everything into account, I'm directing Watford to increase the compensation offered from £50 to £200 – and therefore an additional £150 is payable.

### **My final decision**

For the reasons I've explained, I'm upholding this complaint and direct Watford Insurance Company Europe Limited to pay Mr O compensation of £200 in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 22 May 2024.

Sheryl Sibley  
**Ombudsman**