

The complaint

Mr N says AA Underwriting Insurance Company Limited (which I'll refer to in this decision as 'AA Insurance') didn't advise him about the cancellation of his motor insurance policy, which meant he drove his car whilst uninsured and was charged by the police.

What happened

Mr N bought the policy on 15 July 2023 through a comparison website and a broker associated with AA Insurance that had a trading name of 'firm B'.

On 31 July 2023 firm B contacted Mr N to say he had to pay an extra premium of over £500, as it had emerged that he didn't disclose two driving offences when he took the policy out. Mr N arranged to pay the sum requested and got a letter from firm B to say all was in order. But on 31 July 2023 AA Insurance had also contacted Mr N (by email) to ask him to send it documents to validate his policy. Mr N ignored the email as it wasn't from firm B. He also ignored a reminder from AA Insurance on 8 August 2023. Both emails said AA Insurance had the right to cancel the policy if the documents weren't received within seven days.

On 16 August 2023 AA Insurance contacted Mr N again, by email *and* by recorded delivery post. The email and the letter said AA Insurance would cancel the policy in seven days unless the documents were received. Mr N opened the letter, but he said he didn't read it fully, as it wasn't from his broker. And he said the important information in it was on its back. As there was no response from Mr N, AA Insurance cancelled the policy on 23 August 2023. Mr N was unaware of that, as he hadn't read the correspondence, so he continued to drive and was stopped by the police a week later. His car was impounded, and he was charged with driving without insurance. Mr N complained to firm B, but it said it had done nothing wrong. It referred the matter to AA Insurance – which didn't uphold his complaint.

One of our investigators reviewed Mr N's concerns. She said as his complaint was about the policy's cancellation, it should be dealt with by the insurer. She said if Mr N had concerns about firm B's actions he should let her know (as that would be a separate complaint). She noted that he'd said he didn't read the correspondence from AA Insurance, and that he hadn't provided a telephone number for it to call. She thought it had acted reasonably in cancelling the policy. Mr N disagreed, so the complaint was passed to me for review.

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.

AA Insurance provided the cover for Mr N's car, whilst firm B only administered the policy. Mr N has said he has concerns about the way the policy was administered. He says firm B wasn't clear during a call with him. He says it told him it would send him an email asking him for documents, but it didn't do so. If Mr N wants to pursue these concerns, he needs to make

a separate complaint to firm B about what he sees as its specific failings. Previously, he contacted it to complain about the cancellation, which wasn't its responsibility.

All insurers need to check the initial details provided by consumers and they're entitled to ask for evidence in order to do so. AA Insurance wanted to check Mr N's driving record and to see confirmation of the no claims discount he'd set out, which I think was reasonable enough. I think its communication with him about the issue was clear, and that he was given ample time to respond. As he didn't, I think AA Insurance acted reasonably in deciding to cancel the policy and that it did so in a reasonable way.

As Mr N had been dealing with firm B, he may not have been expecting emails from AA Insurance's policy validation team. But he says he was expecting to be asked for documents to validate the policy. So I would have thought any email from a policy validation team might have led him to call firm B, just to query it, even if he wasn't prepared to open the email. Alternatively, he could have called firm B to see why it hadn't emailed him as promised.

After discarding its previous emails, Mr N opened the cancellation letter sent by recorded delivery from AA Insurance on 16 August 2023. He says he didn't read all of it - but the policy number and the car's registration were set out at the start of the letter, so there was no doubt that the content applied to his motor insurance policy. The letter was set out in very short, clear paragraphs. And the crucial information Mr N needed to see was *in the centre of the first page* - in bold print. Not on the back, in line with Mr N's recollection. It said the policy cover would cease on 23 August 2023.

I think it's hard to see why Mr N didn't realise he needed to deal quickly with what was a serious and urgent issue at this point. He told us he was diagnosed at school with Attention Deficit Hyperactivity Disorder (ADHD) but he said he had no trouble reading and didn't have dyslexia. He also said he hadn't mentioned the ADHD to firm B - so AA Insurance couldn't have known about it. He hasn't said the ADHD led to his decision not to open the emails from AA Insurance or not to read its letter in full. I don't think AA Insurance could have acted any differently anyway. It used the two means of contact with Mr N that it was aware of (post and email) as he hadn't supplied a telephone number. And if he was confused for any reason by the cancellation letter, Mr N could always have called firm B for advice.

Understandably, Mr N is very unhappy with the situation he's found himself in. He's much worse off financially, given the cost of his new insurance and the sums he's had to spend in dealing with the car's seizure and the prosecution for driving without insurance. Mr N told us he's disgusted that AA Insurance got away with ending his policy unfairly, using loopholes. But AA Insurance kept to the terms set out in the policy, and in my opinion, it has shown that it acted fairly and reasonably in the way it communicated with Mr N. I'm very sorry that he's had to face such a difficult time following the cancellation, but as I don't think there's anything to show that AA Insurance did anything wrong, I can't uphold his complaint.

My final decision

My final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 2 July 2024.

Susan Ewins
Ombudsman