

The complaint

Mr B has complained about Zurich Insurance PLC's decision to cancel his motor trade policy.

The administrator Mr B dealt with acted on behalf of Zurich. The broker also acted on behalf of the administrator, and therefore Zurich. All reference in my decision to the underwriter of the policy, Zurich, includes the administrators as they are one in the same for the purposes of Mr B's complaint.

What happened

Mr B bought a motor trade policy through a broker which began in February 2023. Zurich received claims from third parties for incidents involving two vehicles which Mr B had listed on the Motor Insurance Database (MID) as vehicles he had purchased. However, Mr B told Zurich that he hadn't bought these vehicles. He said he had intended to, but changed his mind. He said he had been remiss in not removing the vehicles from the MID (and therefore from cover under the policy) at the time.

As Zurich was listed as the last known insurer for the vehicles, it was obliged to deal with the claims in line with the Road Traffic Act.

Zurich asked Mr B to provide a number of documents in order to be satisfied with the risk it had taken on when offering cover. It gave Mr B seven days to provide it and didn't agree to provide an extension. Zurich said if it didn't receive all of the information it asked for, it would cancel Mr B's policy.

Mr B provided some but not all of the information. So Zurich cancelled his policy a week later.

Mr B raised a complaint. He said he should have been given an extension of time to provide the information as he was on holiday at the time and couldn't access all of the information. He wanted Zurich to reinstate his policy. Mr B has said that he provided all of the information within the timeframe, but also said he wasn't able to provide all of the information in time. He said Zurich's request was unreasonable as he had already provided information to the broker when he bought the policy.

Zurich didn't uphold Mr B's complaint. So he asked us to look at his complaint.

Our Investigator didn't recommend the complaint should be upheld. She thought Zurich had given notice of cancellation in line with the policy. Zurich had been clear about what information it needed in order to continue with the policy. As it received only some of the requested information, she didn't think Zurich had done anything wrong.

Mr B didn't agree. He says he has been treated unfairly by not being given an extension. He hasn't since provided the information as there was no point – as Zurich hasn't agreed to reinstate the policy.

So Mr B wants an ombudsman 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.

The Investigator set out the policy wording which Zurich relied on when it asked Mr B for information – and when it cancelled his policy.

I don't intend to repeat the wording in full again in my decision as it isn't in dispute. But in summary, like all insurers, Zurich says Mr B must provide accurate information – and if unsure contact the broker or administrator. It goes on to say that when dealing with a claim, if Zurich finds inaccurate information has been provided, it can take a number of options which include requesting information from Mr B to enable it to process a claim, defend its interests and make risk based underwriting decisions.

In this case, Zurich received two claims within a short period of time from third parties involved in incidents for vehicles that were listed by Mr B on the MID. So understandably, Zurich had concerns due to the fact that two vehicles had been added to the MID by Mr B after he bought the policy as vehicles he had purchased. But after receiving claims for these vehicles, Mr B said he hadn't purchased these vehicles – he had intended to buy them, but then didn't. So he'd added them to the MID before buying them, and then didn't remove them.

I understand Mr B is unhappy that an extension of time wasn't granted in order to provide this information. But in light of Zurich's concerns, I cannot say that its decision not to provide an extension of time for Mr B to respond was unreasonable. I appreciate that Mr B asked for the policy to be reinstated, but without offering to provide any of the outstanding documentation which led to the cancellation.

Mr B's policy with Zurich explained its cancellation process. It said it would give Mr B seven days' notice – which it did.

As Zurich correctly followed its cancellation process, I'm not asking it to do any more.

I realise Mr B will be very disappointed with my decision. But this means I'm not upholding 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 B to accept or reject my decision before 25 July 2024.

Geraldine Newbold
Ombudsman