

The complaint

Miss B complains about Aioi Nissay Dowa Insurance UK Limited trading as Tesco Bank Box Insurance ("ANDI") and the cancellation of her motor insurance policy after she failed to provide documentation within the deadline set.

What happened

The claim and complaint circumstances are well known to both parties. So, I don't intend to list them chronologically in detail. But to summarise, Miss B purchased a telematics motor insurance policy, underwritten by ANDI, in March 2023. Shortly after the policy start date, ANDI contacted Miss B explaining they required further documentation to validate the policy. And, if Miss B didn't provide this documentation by 13 March 2023, they would proceed to cancel her policy.

Miss B didn't provide the documentation within this deadline. And when Miss B did call ANDI on 15 March, she was told her policy was cancelled and that this cancellation would need to be declared to future insurers. Miss B was unhappy about this, so she raised a complaint.

Miss B explained her policy was still showing as live online at the time of her call and so, she felt ANDI should've allowed her the chance to provide the documentation immediately, to prevent the cancellation. Miss B also didn't think the cancellation was fair, as she hadn't received the e-mail, letter and text message sent to her explaining they required further documentation. So, she wanted ANDI to remove the cancellation marker, in order to allow her to obtain affordable insurance elsewhere.

ANDI responded to the complaint and didn't uphold it. They thought they had sent the document request, and cancellation notice, to the correct contact information Miss B had provided to them at the inception of the policy. So, as Miss B hadn't complied with the request within the deadline set, they thought they had acted fairly, and in line with the policy terms, when cancelling the policy. Because of this, they didn't think they needed to do anything more. Miss B remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and upheld it initially. They thought ANDI had cancelled the policy in line with the terms of the policy. But they didn't think they acted fairly when doing so, as the cancellation was in progress, and not yet fully complete, when Miss B called ANDI on 15 March. So, they thought ANDI could have, and should have, allowed Miss B to provide the needed documentation to prevent the cancellation being completed. So, they initially recommended ANDI remove the cancellation marker, and to pay Miss B £250 to recognise the distress and inconvenience she'd been caused.

Miss B accepted this recommendation. But ANDI didn't, explaining that even though the cancellation was in progress when Miss B called, it would not be reasonable for them to allow her to provide documents at that time, as it would've left them open to the threat of a claim between the 14 March to the time of the call, and then for a longer period as they would've been required to provide another seven-day cancellation notice. So, they didn't think the complaint should be upheld.

Our investigator considered ANDI's comments and changed their recommendation. They no longer thought the cancellation marker should be removed based on the information and explanation ANDI provided about the additional risk posed to them as a business, considering our investigator agreed the policy had been cancelled in line with the terms and conditions. But they maintained their position that ANDI had caused confusion on the call by stating the policy was cancelled, when the cancellation was in fact only being processed and so, this caused conflict with how the policy was showing online. To recognise this confusion, our investigator recommended ANDI now pay Miss B £100, to adequately resolve the complaint.

ANDI didn't respond to this recommendation. And Miss B remained unhappy, expressing her belief she would have, and could have, cancelled the policy herself on 15 March had she been told it was only in progress. So, she maintained the cancellation marker should be removed. As Miss B didn't agree, the complaint has been passed to me for a decision.

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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Miss B. I don't doubt Miss B's testimony that it was always her intention to supply any documentation ANDI required and I recognise she states she didn't receive the cancellation notices that were sent. So, when she contacted ANDI and was made aware her policy had been cancelled, and the ramifications this would have on her obtaining future insurance, I can understand why she'd feel unfairly treated and choose to raise a complaint.

But for me to say ANDI should remove the cancellation marker reported to external databases as Miss B wants, I would first need to be satisfied ANDI cancelled the policy incorrectly. So, I'd need to see evidence ANDI failed to act in line with the terms and conditions of the policy when cancelling it, or if I think ANDI did act within these, that they acted unfairly when doing so. And in this situation, I don't think that's the case.

I've carefully read through the terms and conditions of the policy Miss B held. And these explain, under the cancellation heading, that ANDI *"can cancel your policy by writing to you at your last known address 7 days in advance of the cancellation date if there are serious grounds to do so such as failure to provide requested documents"*.

In this situation, I can see ANDI wrote to Miss B's address with the document request, and cancellation notice, on 6 March 2023. And that this was the same address as the one provided by Miss B at the inception of the policy, four days earlier.

And on top of this, I can see ANDI sent the same request and notice to Miss B's e-mail address, which again was the same e-mail as the one she provided at the policy inception, as well as sending Miss B a text making her aware there was an urgent document request that she needed to reply to.

In both the letter and the e-mail, ANDI state clearly that *"we must receive the requested*

documents no later than 13 March 2023. If you fail to provide us with the information requested, your policy will be cancelled at 00:01am on 14 March 2023”.

So, I'm satisfied Miss B was provided with an adequate cancellation notice, in multiple formats, seven days in advance, as the terms and conditions stipulated. And it's not in dispute that Miss B didn't provide the requested documentation, including identification and driving license information, by 13 March 2023. So, because of the above, I think ANDI acted fairly, and within the terms and conditions of the policy, when cancelling it.

And as they cancelled the policy, I'd expect them to report this cancellation externally as there is an obligation on them from the industry regulator to do so, to ensure another insurer is able to accurately calculate the risk to them when supplying a policy to Miss B. So, I'm unable to say this cancellation marker should be removed.

I understand Miss B won't agree with this decision. And I want to reassure Miss B I've considered her comments about the request, including her reiteration that she didn't receive the request or notices, as well as the text message. But I'm satisfied these were sent to the correct addresses Miss B provided just four days earlier. And I'm unable to hold ANDI responsible for any issues with the receipt of these documents, as this wasn't within their control once they had been sent.

I note Miss B has confirmed her mobile number had changed but I'm satisfied the number ANDI sent a message to, was the one Miss B provided at the policy inception. And within the policy documentation, ANDI make it clear that *“if any of this information is inaccurate or incomplete or if it changes before or during the period of insurance, you must tell us as soon as possible”*. I can't see Miss B made ANDI aware of her mobile number change until after the cancellation deadline and so, I don't think this impacts the decision I've reached above.

But I do think Miss B was caused some confusion on her call with ANDI on 15 March 2023. On this call, Miss B was told her policy had been cancelled. But it was still showing live online from what she could see. And ANDI have since confirmed the policy cancellation was being processed, rather than fully completed.

So, I think ANDI saying the policy had been cancelled, without a more detailed explanation of the process, caused Miss B some distress and inconvenience when she discovered this wasn't actually completely the case. This has led Miss B to feel unfairly treated, believing she could have been able to prevent the cancellation altogether, which has resulted in her engaging in a complaint process as a result. So, I do think ANDI have acted unfairly here, and I've then turned what I think they should do to put things right.

Putting things right

When thinking about what ANDI should do to put things right, any award or direction I make is intended to place Miss B back in the position she would've been in, had ANDI acted fairly in the first place.

In this situation, while I appreciate Miss B will disagree, I think that even if ANDI had made Miss B aware her cancellation was in progress, and not yet fully completed, she would've still been left in a situation where her policy was cancelled with it being recorded externally.

While I appreciate Miss B thinks she could've either provided the documentation or cancelled the policy herself before it had been processed, the policy terms explain clearly that *“the policy will end when the 7 days' notice period expires”*. So, I don't think Miss B had the ability to ultimately effect the cancellation from 14 March 2023 onwards.

But again, I do think ANDI could've done more to provide a better explanation regarding this over the phone, and why the policy was showing as live online. Ideally, the policy cancellation would've been processed sooner, to prevent this confusion.

And I do think this confusion has left Miss B believing that she ultimately could've been left in a better situation, where she didn't need to disclose her cancellation to future insurers. And this has resulted in Miss B engaging in a complaint process, which I don't doubt would've taken time and effort. So, as I think this could've been prevented, I think Miss B should be compensated.

Our investigator recommended ANDI pay Miss B £100 to adequately recognise the above. And I think this recommendation is a fair one, that falls in line with our service's approach and what I would've directed, had it not already been put forward. So, this is a payment I'm directing ANDI to pay.

My final decision

For the reasons outlined above, I uphold Miss B's complaint about Aioi Nissay Dowa Insurance UK Limited trading as Tesco Bank Box Insurance and I direct them to take the following action:

- Pay Miss B £100 to recognise the confusion created, and the impact this had on her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 27 August 2024.

Josh Haskey
Ombudsman