

The complaint

Mr G is unhappy with the service provided by Sabre Company Europe Limited (Sabre) after refusing to pay his claim, and cancelling his motorbike insurance policy.

What happened

Mr G took out motorbike insurance with Sabre. At the time of application Mr G declared he was the registered keeper and owner of his motorbike. Mr G's application for insurance was accepted on this basis with cover starting in March 2022. The policy terms explained *'Where we obtain proof of fraud or a serious non-disclosure we may cancel the policy immediately and backdate cancellation to the inception date or to the date when the incomplete or inaccurate information was supplied.'*

Mr G's motorbike was involved in an incident in September 2022. While assessing Mr G's claim, Sabre found that the registered keeper of Mr G's motorbike on the date of the incident was someone else.

Following investigation Mr G was informed that Sabre wouldn't be paying his claim, and that his policy had been cancelled. Mr G complained to Sabre about its decision. Sabre responded to Mr G's complaint saying the policy has been cancelled in line with the terms and conditions. Mr G was unhappy with this response, and brought his complaint to this service. The investigator didn't ask Sabre to do anything in settlement of Mr G's complaint.

Mr G rejected these findings, saying he accepted an error had been made on the application however *'I have already sent you a copy of the V5 which PROVES that at the time of the accident I was the registered keeper of the bike. Along with all the other evidence I have provided to you and Sabre Insurance. And, as you've said below the insurance policy was active at the time of my accident.'*

As the complaint couldn't be resolved, it has been passed to me for 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 reviewed the evidence I don't think Sabre need to do anything in settlement of this complaint. I can understand this is likely to come as a disappointment to Mr G but I hope my findings go some way in explaining why I've reached this decision.

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 has affected what I think is the right outcome.

The relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). It requires a consumer to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer.

If a consumer fails to do this, the insurer has certain remedies, provided the misrepresentation is what CIDRA describes as a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer must show it would only have offered the policy on different terms, or not at all, if the consumer hadn't made the misrepresentation. CIDRA sets out several considerations for deciding whether a consumer failed to take reasonable care. One of these is how clear and specific the insurer's questions were. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless or just careless.

If the misrepresentation was reckless or deliberate - and an insurer can show it would at least only have offered the policy on different terms - it's entitled to avoid the consumer's policy. If the insurer is entitled to avoid the policy, it won't have to deal with any claims under it. If the qualifying misrepresentation was careless, then to avoid the policy, the insurer must show it wouldn't have offered the policy at all but for the misrepresentation.

Mr G says '*When I took out the insurance the question asked on [the] website application form was not "are you the registered keeper" it was "are you, or will you be, the registered keeper. Which I truthfully answered Yes.*' Sabre has explained that due to the insurance broker going into administration, it has been unable to obtain evidence of the specific question Mr G would've been asked, or how this would've been presented

Given what Mr G has explained, I've gone on to consider how Sabre would've treated Mr G's application if he'd answered that he wasn't the registered owner and keeper of the motorbike. Sabre says '*...the owner can only be selected as: Proposer, Parent, Spouse, Civil Partner, Common Law, Leasing Company, Company.... There is no premium difference associated with the different owners in this list (however, the rest would decline).*'

Sabre has provided evidence following a search of the database used for storing driver and vehicle registration details. This shows details of a different registered keeper for the motorbike at the time of sale of Mr G's policy in March 2022. It also shows the 'change of keeper' for the motorbike was registered in December 2021. I've seen that the policy schedule sent to Mr G after taking out the policy recorded Mr G as being the registered owner and keeper. Having considered the evidence, I'm satisfied this information wasn't correct, despite Mr G declaring this fact to Sabre at the time of taking out insurance.

Mr G has provided ownership details for the motorbike, showing himself to be the registered keeper of the motorbike. This document says Mr G '*acquired the vehicle on 4 September 2022*'. Mr G says this proves he was the registered keeper before the date of the incident date of 5 September 2022. I've carefully considered Mr G's comments. But I don't think Mr G's comments, , materially change the outcome of this complaint. Ultimately Mr G declared himself to be the registered keeper and owner of the motorbike at the time of taking out insurance. But the evidence doesn't support this information being correct.

Mr G knowingly declared himself to be the registered keeper and owner of the motorbike at the time of taking out insurance. I accept that the option to select '*Proposer*' would reflect Mr G's intentions. But I think it would only be reasonable to take this view if Mr G had registered himself as the keeper of the motorbike (in line with what he had declared at the time of taking out insurance), if he did so immediately after the sale of the policy. But even several months later, the registered keeper remained another driver. And based on the evidence I'm persuaded this was the case at the date of the incident on 5 September 2022.

All things considered I think it's reasonable to say that Mr G's misrepresentation was reckless or deliberate. I've considered Sabre's position on how an applicant in Mr G's position would be treated. And I'm not persuaded insurance would've been offered on any terms. And so the actions taken by Sabre in declining Mr G's claim, and cancelling his policy,

are fair and reasonable in the circumstances. I've also considered Sabre's position in accordance with the policy terms, and its remedies following discovery of Mr G not being the registered keeper at the time of making a claim. And I'm persuaded its actions are in line with the policy terms, and what Mr G was told would happen in the event of fraud or a serious non-disclosure.

I realise that Mr G is likely to be disappointed with this decision. This situation has clearly left Mr G feeling stressed, upset, and financially out of pocket. But I can't ask Sabre to pay for the claim, given the evidence that's been provided, and what the policy terms explained about the circumstances in which cover wouldn't be provided. I haven't seen any evidence to persuade me that Sabre's actions were wrong, or outside of the policy terms. So I won't be asking Sabre to take any further action in response to this complaint.

My final decision

For the reasons provided I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 September 2024.

Neeta Karelia
Ombudsman