

## **The complaint**

Mr P complains that Adrian Flux Insurance Services Group (“Flux”) said he’d misrepresented his details when applying for insurance, so it cancelled his motor insurance policy and recorded his details on an external database, which means he’s had to buy more expensive cover elsewhere.

## **What happened**

Mr P applied for a motor insurance policy through Flux, which is a broker. He applied in December 2023, and it was due to commence in late January 2024.

When he applied for cover, Mr P didn’t disclose he had a former conviction and two previous claims that were made on a different type of motor policy.

The insurer of his policy cross-checked his data and found that he’d not told it about the conviction.

This happened before the policy began, so the insurer recorded it as a ‘not taken up’ policy rather than a cancellation

On 3 January Flux wrote to Mr P and told him it thought some of his information wasn’t right. He called it on 4 January and corrected the data and explained why he’d made the mistakes.

Flux said his revised information meant it couldn’t continue to set up his policy.

Flux passed details of Mr P’s mistake to an external database used in financial services for fraud prevention. Mr P didn’t agree with this. He says Flux should have recorded it as “not taken up” in line with the insurer. He complains that he’s having to pay higher premiums as a result.

Mr P remained unhappy and brought his complaint to this service. Our investigator looked into it and thought his complaint would be upheld in part. He thought Flux should remove the entry it put for Mr P on the external database, and also write to him and clarify he didn’t need to tell other insurers about his policy being cancelled. He also thought it was fair that Flux charged Mr P a fee for setting up and then cancelling his policy.

Mr P accepted the view.

Flux said it agreed to write to Mr P to clarify the cancellation didn’t need reporting to other companies. But it didn’t agree that it’d made a mistake about putting Mr P’s details on the external database. It said it thought it was unreasonable for this service to ask for it to be removed.

Because Flux didn’t agree, this complaint has been passed to me to make a final 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 read the file of evidence, I can see Mr P has accepted the view. I'm not going to write about the case in depth here as both Mr P and Flux's viewpoints on what happened now seem to be aligned, with one final area in dispute.

What this means is that Flux fairly applied a fee to Mr P's application for cover, Mr P doesn't need to tell other companies about his policy being 'cancelled' and Flux has agreed to confirm that in writing to him.

Mr P has also accepted that his premium may have changed because he may have told his new insurance provider about the cancellation of this policy, which he didn't need to do.

What remains is the inclusion of Mr P's records in an external database used for fraud prevention. Our investigator said Flux needed to remove Mr P's details from it, but Flux disagreed.

Flux said it could put Mr P on the external database as he'd recklessly misrepresented himself when he'd applied for cover through it. It said this meant it was entitled to record what he'd done on this database. It didn't agree this service could ask it to remove Mr P's details from the database.

I've thought carefully about this.

The would-be insurer of Mr P's policy marked it as 'not taken up' when Mr P told Flux about the correct information. Flux charged Mr P a fee for the work it'd done in trying to set up his policy.

From the file I can see he called Flux quickly when it emailed him and asked him to validate his policy. He told it the information he should have done at application. During the call, he openly tells the call handler about his previous conviction and the previous claims he'd had on another motor insurance policy.

I've looked at the external database and I can see its primary function is a fraud detection and prevention database.

This service's approach is that a financial business can only record information with a fraud prevention agency if it's got enough evidence to satisfy the fraud prevention agencies rules and burden of proof. It must have carried out thorough enough checks to do this. It must keep a record of its evidence.

Typically, to record a marker, this will mean the financial business has found dishonesty in the personal information supplied by the customer or can show the behaviour of the customer amounts to fraud.

If the financial business can't show this, we'd expect it to ask the fraud prevention agency to remove the information from the database.

It seems clear to me that Mr P had made mistakes when he'd applied for cover. But I think it's also fair I say Mr P was co-operating with Flux to validate and correct his details.

So, I don't agree that Flux has done enough to show he acted dishonestly in his application for cover. It follows that I think it's fair it now removes the record from the external database.

There's a mention in the file that Mr P mentioned he now wasn't able to use Flux, or its

associated companies, for quotes. I've not seen evidence of this, and I think it's fair I say it's likely to be because his corrected details didn't fit Flux's acceptance criteria for business. It's important I say it's not this service's role to tell a company how to run its processes, or what sort of business it can, or cannot, accept.

### **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint in part.

I direct Adrian Flux Insurance Services Group to:

- Remove Mr P's details from the external database it used.
- Write to Mr P and confirm he doesn't need to tell other companies about his policy being cancelled.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 21 January 2025.

Richard Sowden  
**Ombudsman**