

The complaint

Mr D complained that West Bay Insurance Plc trading as Zenith Insurance cancelled his motorcycle insurance policy.

What happened

Mr D took out a policy with West Bay in 2024 via an online insurance market comparison site. But when Mr D sent in his motorbike's registration details, West Bay realised that its purchase date was different from what Mr D had entered online. Mr D had bought the bike in 2024, and not 2023 as he'd said on the online form.

West Bay said if they'd known the correct date he'd bought it, they wouldn't have insured him at all. So they cancelled his policy and part-refunded his premium. The broker also waived the cancellation charge. West Bay didn't put a cancellation marker against Mr D on the insurance database. But they said he would still have to disclose the cancellation in applications to future insurers.

Mr D complained to West Bay. He said that the cancellation meant a huge increase in his premiums. This meant that he was unable to insure his motorbike so couldn't use it. Mr D was unhappy that he'd have to disclose this cancellation when making future insurance applications so it would also increase his insurance on his vehicles. He said he thought he'd filled in the information correctly. He said it was just an innocent mistake which he hadn't realised or noticed at the time, and he hadn't been dishonest. He wanted West Bay to refund all his premium and make it so that he wouldn't have to disclose the cancellation in future.

He also complained that West Bay hadn't told him who all the companies involved in his insurance were.

The investigator didn't recommend that Mr D's complaint be upheld. She thought that West Bay had not acted unfairly. Mr D didn't agree and so I've been asked 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.

Mr D was contacted by various companies while this issue was being dealt with and he had concerns about this. I can see that he had contact from the broker as well as West Bay, the insurer. That's common in insurance for there to be other companies involved, and I'm only looking at West Bay's actions here. However I think it was clear from West Bay's policy documents and correspondence that it was West Bay who made the decision to cancel the policy and West Bay dealt with Mr D's complaint. So I don't think that was unfair of them.

As regards the cancellation, the relevant law here is the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). As the investigator noted, it says that a consumer needs to take reasonable care not to make a misrepresentation when taking out an

insurance policy. If a consumer fails to take reasonable care, and their misrepresentation is a qualifying one, the insurer can take certain actions.

This means I need to consider whether Mr D did take reasonable care not to make a misrepresentation, whether his misrepresentation was a qualifying one, and whether the actions West Bay then took were in line with CIDRA.

West Bay said Mr D didn't take reasonable care when he applied for his policy online in that he didn't correctly disclose the date he bought his bike. He said it was 2023 when in fact it was 2024. West Bay said that this was careless qualifying misrepresentation. West Bay wouldn't have offered him a policy at all if they'd known this, because their underwriting criteria would not allow that. Since underwriting criteria should not be disclosed, I won't go into that reason further, but West Bay explained the reason and the investigator has covered it too.

Mr D said that not providing the correct information was just a mistake and wasn't deliberate. He was unhappy that his integrity was being questioned and that there was a black mark against him. He felt that he was being treated as if he'd committed a driving offence and the effect on him was like a penalty. He said he couldn't afford to insure his motorbike and potentially other family vehicles too, which would be stressful for him and his family.

He thought West Bay had overreacted and failed to take into account common sense and that they could have easily resolved the mistake and changed the year without these consequences for him. I can see that the broker did try to do this with West Bay but West Bay couldn't accept it as the correct purchase date meant that West Bay wouldn't have been able to insure him at all because of their underwriting criteria. The broker acted on behalf of the insurer regarding the administration of the policy and had no say in the West Bay's decision to cancel. Insurers are entitled to make their own commercial decisions about what they will and won't insure, and this isn't something we would normally interfere in.

West Bay were entitled to be told the correct year of purchase. As the investigator explained, the insurer uses the answers to their questions to weigh up the risk of insuring that consumer's vehicle and it can be a misrepresentation if an answer given is inaccurate or misleadingly incomplete.

This means that , even if it was a mistake, that's still a representation, and so I think that for the purpose of CIDRA this was a careless misrepresentation. West Bay have shown us their underwriting criteria that confirm that the 2024 purchase date made the risk unacceptable to them and they would not have insured Mr D had he answered the question correctly. So I don't think that think West Bay's decision to treat Mr D's misrepresentation as a qualifying one was unfair.

West Bay refunded Mr D part of his premium due , having charged him for the time he was on cover and some non- refundable charges. The broker also waived the cancellation fee as a goodwill gesture. West Bay said that they wouldn't place a marker on insurance databases against Mr D for the misrepresentation. They didn't think he'd been fraudulent. However Mr D would still need to disclose the cancellation to future insurers if asked a question about cancellations.

I know Mr D will see this as harsh, but West Bay have not done anything wrong. And so, while I know that this will be disappointing for him, but I don't require them to change the cancellation.

My final decision

For the reasons given above, it's my final decision that I don't uphold the complaint .

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

A handwritten signature in blue ink that reads "R. Scott". The "R" is large and stylized, with a long horizontal stroke. The "Scott" is written in a cursive, flowing script.

Rosslyn Scott
Ombudsman