

The complaint

Mr H has complained that Aviva Insurance Limited unreasonably cancelled his motor policy on the suspicion of fronting.

What happened

Mr H said he bought a car which he successfully insured with him as the main driver, and his son and daughter as named drivers with another provider. He also insured his own car with that same provider. On renewal he searched the market on a comparison website and chose to insure this car with Aviva.

The policy started on 8 April 2024. Aviva then asked Mr H to supply the driving licences of all drivers plus the V5. Mr H sent these documents twice to Aviva in separate formats, but it kept telling him it couldn't open the attachments. Aviva also asked Mr H several questions over the use of the car by each driver which Mr H answered.

Aviva then decided to cancel the policy on 29 April giving seven days' notice. It said it noted quotes were done both before in his daughter's name. It also said Mr H had access to another car, but his daughter did not. Plus, he had no NCD on this car but also had no claims. So, it decided Mr H wasn't the main driver, but his daughter was instead. They decided this was a breach of the policy terms, hence cancelling this policy.

Mr H is adamant he is the main driver as he used it three to four times a week due to the fact his other car was too big for errands and volunteering work that he did around his village. He explained the quotes in his daughter's name before the policy inceptioned was solely to see the cost of it, if she bought her own as it would be something similar in size to this one. Aviva wouldn't change its stance, so Mr H brought his complaint to us. The investigator was of the view that Aviva hadn't done anything wrong.

Mr H disagreed so his complaint was passed to me to decide.

I issued a provisional decision on 2 May 2025, and I said the following:

'Having done so, I'm intending to uphold this complaint. I'll now explain why.

The policy conditions which permitted Aviva to cancel this policy are as follows, as there is no indication Mr H didn't pay his premium as required:

'We may cancel this policy or optional covers where there is a valid reason, for example where:

- we reasonably suspect fraud;*
- any persons insured have failed to co-operate with us and this affects our ability to process a claim or defend our interests;*
- or you have not taken reasonable care to provide complete and accurate answers to the questions we ask.'*

I consider that Mr H took all reasonable steps to provide the information that Aviva wanted as regards the answers to its questions plus the copy driving licences of all drivers on the car and the copy V5. I consider it's unusual that a company such as Aviva doesn't have adequate systems to open and read PDF's also, as Mr H sent the documents as PDF's the second time, since Aviva's system also couldn't access the shared Google drive by which the documents were sent the first time. In any event and most importantly Aviva has confirmed the driving licence copies and the V5 documents weren't relevant to their considerations in any event. Therefore, it's clear to me that Mr H didn't contravene any co-operation duty required under the policy term above in the absence of any claim and he answered the questions Aviva asked fully. So, I consider Aviva was incorrect to say Mr H 'failed the validation request'. I consider he never failed that at all, merely that Aviva failed to be able to open any of the PDF's he sent it.

So, in order to cancel this policy in the way Aviva did, it has to show on balance that Mr H did not take reasonable care to provide accurate answers to the questions asked, or that Aviva reasonably suspected fraud. I think Aviva has failed on both of these issues, and therefore its cancellation of the policy is unreasonable.

Aviva has produced no evidence to show that the usage of the car by Mr H or the named drivers was not as he said it would be. There is no evidence to show for example that Mr H never drove this car or that his daughter drove it all the time. Just no evidence of anything of that nature.

Aviva has based its views and suspicions on the car usage solely on the fact his daughter undertook some insurance quotes online before this cancellation. That is the only evidence Aviva has to decide that Mr H was either fraudulent or didn't provide accurate answers to the questions it asked him. And I don't consider that is enough to show any inaccuracy to the car's usage or indeed to show any evidence of fraud which requires Aviva to hit quite a high bar in my view. As Aviva made this decision to cancel this policy, I don't consider it can then rely on what quotes were run on comparison websites after the cancellation as somehow proving its suspicions were correct. This is because it and only it decided to cancel this policy leaving Mr H in a situation of having an uninsured car on his driveway.

Mr H explained his other car is a high-end larger vehicle, which he said he uses for longer journeys. He does volunteer work in his locality and finds the smaller car is far more suitable to carry this out. He explained therefore he used this car three to four times a week. His daughter used it less than that only up to twice to three times a week, to go to school if it was raining and to go to the gym. His daughter was thinking about possibly going travelling for a time after school but also like most young drivers wanted, if not needed, to know how much it cost to insure her own car, if her

travelling plans didn't happen. The only way to find that out is run a quote on a price comparison website, in today's world. We no longer have high street brokers doing this sort of business quote investigations and comparisons daily.

So, I consider it should never be that if someone runs a quote to see the price that it's then held against them on just that point alone. That's too restrictive and unfair.

In my view there has to be further clear corroborating evidence to detail the extent of inaccurate statements made or some other 'fraudulent' activity. Otherwise, Aviva and other motor insurers doing the same thing, would rightly run the gauntlet of unfair practices and not treating their customers fairly.

There was also a query raised on who paid the premium which happened to be Mr H's wife. I don't consider anything turns on this at all. Indeed, the person in Aviva dealing with this service mistakenly thought it was Mr H's daughter who paid the premium but that was never the case.

There was also a query why Mr H didn't use any No Claims Discount (NCD) on this car, more so as he had no claims. Aviva seemed to ignore the fact that Mr H's NCD was being used on his larger more expensive to insure, car and that he can't use his NCD on more than one vehicle at any one time. So that has no relevance either.

Also given the Consumer Duty now in place, as it's clear that if the risk of a parent and child on the same policy is not attractive to Aviva, then it shouldn't quote for such a risk. The Consumer Duty edict demands much better transparency on these matters than Aviva has demonstrated here to Mr H in my view. And indeed, I query any adherence to the 'supporting the consumer' part of the Consumer Duty by Aviva, as that's just not evident at all here, both in not being able to open PDF's or cancelling Mr H's policy so that he must tell other insurers this with its severe consequences. So, overall, I don't consider Aviva has reached the high bar of detailing that Mr H or his named drivers were either not telling the truth or were fraudulent. Rather it reads the risk was simply not attractive enough to Aviva.

Consequently, I consider it was unreasonable to cancel Mr H's policy. And whilst nothing is noted in any databases, Aviva has confirmed that if asked by another insurer if it had cancelled the policy, it would reply affirmatively. Further every single policy application form asks a question about any other policy being cancelled, and under the Consumer Insurance (Disclosure and Representations) Act 2012, consumers like Mr H, are under a duty to answer any questions asked honestly and truthfully. So obviously Mr H would disclose this. Which he did which sadly meant that he couldn't get cover for himself on this car.

I think it would have been better and more reasonable for Aviva to tell Mr H that he could cancel this policy himself before deciding to cancel it on him. It's clear to me that despite Mr H answering all the application questions correctly and indeed the further questions asked by Aviva after the policy inception that Aviva just didn't want to insure him and his daughter and son on this car. Aviva is always entitled to decide what risks it wants to cover or not, but it must do this fairly and in line with its underwriting guide. In the absence of any corroborating evidence to show Mr H was either fraudulent or didn't answer the questions accurately, then having accepted his application and offering him insurance, it should have not cancelled his policy on the basis it did here.

Mr H paid his premium upfront to Aviva or rather his wife did. The cost was £1,251.92. Aviva refunded £1,110.17. Aviva's policy terms say that it charges a

cancellation charge of £25 even if it cancels the policy. I'm unaware if any cancellation charge was included in this £141.75 that Aviva retained. But if it was then Aviva should refund that with interest.

If Mr H's premium on his larger car has increased due to this cancellation, then upon Mr H providing that proof from his insurer to include the fact that his insurer won't refund the consequent premium increase, then Aviva should also refund this amount to Mr H with interest.

Aviva should also expunge any internal records that it cancelled this policy and instead record that Mr H cancelled the policy himself.

And I consider this caused Mr H a considerable amount of distress and upset to the point that he felt his privacy was being invaded given how else could they find out how much his daughter might be charged on her own account. Mr H also lost the use of this car to do his voluntary work which was the reason he wanted to own a second smaller car. Therefore, I consider Aviva should pay Mr H the sum of £550 compensation for this. This is in line with our stated approach to compensation as more detailed on our website. And so, I consider this sum is fair and reasonable.'

Mr H agreed with my provisional decision and explained that he had to renew both his car and house insurance which was impacted negatively by Aviva's cancellation.

Aviva didn't respond.

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 again, and in the absence of any response or further information from Aviva, I see no reason to depart from the outcome and reasoning set out in my provisional decision.

Mr H said his house insurance premium was also impacted by Aviva's cancellation, so I consider Aviva should also reimburse that, in the unlikely event Mr H's house insurer doesn't.

My final decision

So, for these reasons, it's my final decision that I uphold this complaint.

I now require Aviva Insurance Limited to do the following:

- Expunge all internal and if any, external entries on all databases that it cancelled this policy and record instead that Mr H cancelled the policy himself.
- Refund Mr H the £25 cancellation charge if it was charged, adding interest of 8% simple per year from the date the premium was paid to the date it refunds him.
- If Mr H's premium for his other car and house insurance increased due to this cancellation, on proof of such an increase, coupled with the present insurers' refusal to refund, Aviva should provide that refund adding interest of 8% simple from the date Mr H paid any additional premiums to the date it refunds him.
- If income tax is to be deducted from the interest, appropriate documentation should be provided to Mr H for HMRC purposes.

- Pay Mr H the sum of £550 compensation for the trouble and upset it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 June 2025.

Rona Doyle
Ombudsman