DRN-5573761

The complaint

Mr W complained that U K Insurance Limited (UKI) unfairly declined to provide him with a home building's insurance quote.

What happened

Mr W approached UKI for a home insurance quote. He said it refused to do so because he'd failed to disclose a conviction. He said the conviction was spent and he didn't know he had to disclose it. Because of the cancellation record Mr W said he must obtain specialist insurance at a higher cost, which he considered unfair.

In its final complaint response dated 27 November 2024 UKI told Mr W it was sorry it had been unable to provide a quote for home insurance. But this was because a previous policy had been 'voided'. UKI explained that it can't provide a quote, under its underwriting rules, where a customer has had a policy cancelled, refused, or declared void.

Mr W didn't think UKI had treated him fairly and he referred the matter to our service. One of our investigator's looked in his complaint, but she didn't uphold it. She said it's for UKI to determine the risk it's prepared to cover. She said that its underwriting criteria showed that no cover will be provided where there has been a cancelled or avoided policy. She thought UKI had acted fairly and in line with its underwriting criteria.

Mr W didn't agree with our investigator's findings. He was concerned that UKI acted unfairly when cancelling his policy back in 2021. He said there was no intention on his part to deceive UKI. He said he can't understand why this issue hadn't been considered by our investigator, as it was linked to UKI's refusal to provide a new policy.

Our investigator said Mr W hadn't complained about the cancellation/avoidance of his earlier policy. She confirmed this was now being handled under a separate reference.

Mr W wasn't satisfied with our investigator's response to his initial complaint about UKI not providing a quote or policy. So, he asked for an ombudsman to consider his complaint.

It has been passed to me 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.

Having done so I'm not upholding Mr W's complaint. I'm sorry to disappoint him but I'll explain why I think my decision is fair.

For clarity, I'm not considering Mr W's complaint about his policy that was cancelled and avoided for misrepresentation. This is being dealt with under a separate reference. So, I won't comment on this further. My focus here is if UKI treated Mr W fairly when it declined to provide a quote for a home insurance policy in November 2024.

UKI explained that when applying for insurance online Mr W was asked:

"*Have you ever had a policy cancelled, refused or declared void?*"

It said this was presented to Mr W in its 'pre-quote' questions. It explained that if the answer is yes, this means it's unable to provide a quote.

We asked UKI to provide its underwriting criteria to confirm what this said. The information it provided is considered commercially sensitive, so I can't share it. But I'm satisfied from what I've read that UKI's underwriting criteria is clear that no cover, and therefore no quote, can be offered to any customer where a policy has previously been cancelled by an insurer.

The Financial Conduct Authority (FCA) doesn't regulate on the underwriting criteria insurers choose to apply when assessing risk. This isn't something our service can interfere with either. UKI must treat Mr W fairly and not discriminate against him by applying its underwriting criteria differently for different customers. But I've found evidence to show Mr W has been treated unfairly. UKI's underwriting criteria states that no quote or cover will be provided to any customer that has had a policy cancelled or avoided.

I can see from UKI's records that Mr W's home insurance policy was cancelled and avoided in 2021 for misrepresentation. Based on this evidence the business applied its underwriting rules correctly when it declined to provide a quote for insurance.

I've thought about Mr W's concern that he hasn't been told for how long he will need to declare the cancellation. I note his comments that this means paying more for specialist insurance without knowing when he can obtain 'mainstream' cover. I'm sorry Mr W is paying more for his insurance. But the criteria that insurers apply when considering risk, is for them to decide. I'm aware that some insurers will ask about cancellations in the past five years. Others will ask without specifying a time limit. But there is no requirement for this to be limited to a specific period.

I understand Mr W's frustration around this point. But as discussed, I'm not able to determine the criteria UKI, or any other insurer, uses for its underwriting purposes.

Having considered all of this, I don't think UKI treated Mr W unfairly, when applying its established underwriting criteria and declining to provide an insurance quote. So, I can't reasonably ask it to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 September 2025.

Mike Waldron
Ombudsman