

## **The complaint**

Mr M complains that Liverpool Victoria Insurance Company Limited ('LV') cancelled his motor insurance policy and added his details to their fraud prevention database.

## **What happened**

Mr M says he asked his friend to take out a motor insurance policy for him as he didn't have access to a computer. The policy was incepted but it transpired that Mr M's surname had been entered incorrectly. When LV discovered this – they said Mr M's correct surname flagged his details on fraud databases and they contacted Mr M to advise they would be cancelling the policy.

Mr M didn't think this was fair and complained. He said his friend had made an honest mistake when taking out the policy for him and, due to his language barrier, he hadn't understood the full extent of the issue when LV had written to him to make him aware of the issue. Mr M explained that LV's decision to cancel the policy and place his details on the fraud register had affected him in a substantial way financially which also affected his work and caused a lot of distress.

LV considered the complaint but didn't uphold it. They said when they had carried out checks to validate the details presented to them when the policy was taken out, Mr M's details had appeared on a fraud database relating to previous insurance policies. They explained that as Mr M had set up the insurance by a third party and his surname was incorrect – they decided to cancel the policy. And they concluded that they couldn't agree to remove this record from the fraud register. Mr M remained unhappy with LV's response to his complaint – so, he brought it to this Service.

An Investigator looked at what had happened but didn't recommend that the complaint should be upheld. She said she was satisfied LV acted reasonably and according to their policy terms when cancelling Mr M's policy and had given him notice of this, so she didn't think they needed to do anything further.

Mr M didn't agree with the investigator's outcome. He said that he didn't receive the policy documents, so he did not have the opportunity to check his details were correct. And he maintained that his friend had taken out the policy and made an error with his name – and that his friend had submitted a declaration explaining this. He didn't think LV had acted fairly and said his language barrier had limited his ability to oversee the application process directly.

Mr M asked for an Ombudsman to consider the complaint – so, it's 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, while I was sorry to hear that LV's decision has impacted Mr M, after considering the evidence submitted, I'm not upholding the complaint.

I acknowledge that I've only summarised the key events of this complaint as the background is well known to the parties. No discourtesy is intended by this – it simply reflects the informal nature of this Service. I assure Mr M however that I have read and considered everything provided – and where I haven't commented on a specific point, it's not because I've ignored it.

The crux of this complaint is that LV cancelled Mr M's policy because they said his details flagged up on fraud databases from other insurers. So they said they didn't want to offer cover in the circumstances. They also added his details to the fraud register due to the way the policy was taken out.

I've looked at the relevant policy terms, which say where a policyholder provides misleading or incorrect information to any of the questions asked when applying for a policy, LV can:

- “• amend your policy with the correct information...*
- reject a claim or reduce the amount of payment we make;*
- cancel or avoid your policy (treat it as if it never existed), including all other policies you have with us and apply a cancellation charge.*

*Where fraud is identified, we'll also:*

- pass details to fraud prevention and law enforcement agencies whose members may access and use this information. Other insurers may also see this information.”*

This wording is common in the insurance marketplace, and I think its use here is fair. While I appreciate Mr M has said his friend took out the policy for him and used an incorrect name, once LV were made aware of this and used Mr M's correct details – he was flagged on the fraud database for previous issues with other insurers. And LV then decided to cancel the cover Mr M had taken out – and they informed him of this via phone and letter. I can see LV have provided evidence of this. So, I think they acted fairly here and have justified their decision not to offer cover.

In relation to Mr M's explanation as to why his name was provided incorrectly, I appreciate he said this was due to his friend taking out the policy for him as he didn't have access to a computer. But he later said that he was unable to oversee the process due to a language barrier. I've thought about this situation carefully, but I'm not persuaded by Mr M's submissions as to why his details were incorrectly provided. And I don't think his testimony is supportive of why his details were incorrectly submitted. Having considered LV's submitted evidence, which shows why they didn't want to provide cover to Mr M, I think they acted fairly and in line with the policy's terms.

It follows that I'm satisfied LV acted fairly, so I won't be interfering with their decision or directing them to do anything further.

### **My final decision**

For the reasons given above, 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 M to accept or reject my decision before 21 August 2025.

Stephen Howard  
**Ombudsman**