

The complaint

Ms S and her representative complain Zurich Insurance Company Ltd (Zurich) unfairly declined to cancel her motor insurance policy and declined to settle her claim.

References to Ms S, or her representative, will include the other.

Zurich are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Zurich have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Zurich includes the actions of the intermediary.

What happened

Ms S was involved in an incident whilst driving her car. She collided with a car in front of her at a set of traffic lights and then reversed into cars behind her. The police attended and Ms S was breathalysed at the roadside. The roadside breath test results showed she was over the legal alcohol limit for driving.

Ms S was taken to the police station where further tests were completed which she was found to be under the legal limit. Because these readings were under the legal limit no further action was taken by the police and she was released without charge.

Ms S made a claim on her motor insurance policy and Zurich declined to settle it. It said it would not provide indemnity for the incident based on the terms of her policy that excludes cover if driving whilst unfit through drink. Zurich also said it no longer wished to provide her with motor insurance cover and gave her seven-days' notice of its intention to cancel her policy. It was cancelled on 2 May 2025.

Ms S said she was under the limit when the second test was taken at the police station, and only the police are able to make a judgment in respect of whether or not she was unfit or not and therefore, Zurich had unfairly declined to settle her claim.

Our Investigator didn't uphold the complaint. They were persuaded Zurich was entitled to decline her claim and cancel her policy. Because the terms and conditions of her policy excludes cover when unfit to drive through drink. The said they wouldn't be asking Zurich to reinstate her policy or cover the costs associated with the incident.

Because Ms S is unhappy with our Investigator's view the complaint has been brought to me for a decision to be made.

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.

For clarity in this case, I am only able to consider complaint points that were considered by Zurich in its response to Ms S in May 2025. Any additional complaint points will need to be submitted by Ms S to Zurich for its consideration and response before they can be brought to our Service.

Zurich said the terms of Ms S's policy gives it the right to provide her with notice of cancellation where it has a valid reason. It said she'd been unfit to drive at the time of the incident due to drink.

I looked at the terms of the policy and it says;

"Section 10 General Exclusions

Drink and Drugs

We will not provide any cover under this policy if an incident occurs whilst you or any other insured person:

- 1. Is found to be over the prescribed limit for alcohol;*
- 2. Is driving whilst unfit through drink or drugs, whether prescribed or otherwise;*
- 3. Fails to provide a sample of breath, blood, saliva or urine when required to do so, without lawful reason."*

Ms S failed the roadside breath test which indicates she was unfit to drive at the time of the incident. I accept she provided a negative test at the police station and she believes Zurich cannot therefore rely on the results of the roadside test. I am satisfied that Zurich's burden of proof is the balance of probabilities, which is less than the courts. So it can rely on the drink and drugs clause in the terms and conditions of the policy without a formal finding from the court if it can show that on balance this clause happened.

I saw Zurich didn't base its decision to cancel Ms S's policy solely on the roadside breath test. It said it had also taken in to consideration the driving exhibited in the dash-cam footage, the fact that she had told it she had consumed two pints of beer prior to the incident, and the incorrect account of the incident she provided on more than one occasion. It said together these gave it a valid reason to cancel her policy.

I looked at the evidence provided by way of the dash-cam footage and Ms S's statement of what happened. She said after she had collided with the car in front of her she was hit to the rear of her car by a third-party car. I acknowledge Ms S said she was in shock from the incident and had difficulty recalling the full series of events, however the dashcam confirms she hit a car in front of her and then reversed quickly, and for some distance, before hitting several cars behind her. Therefore her recollection of the incident is very different to the footage provided.

Based on the evidence I have seen I think its likely Ms S was over the limit for alcohol at the roadside after the incident, however even if she wasn't, she drove forward and backwards into several cars, so was clearly unfit to drive at the time whether over the limit or not.

Zurich concluded on the balance of probabilities that Ms S was unfit to drive through drink at the time of the incident and therefore cover was excluded under the terms of her policy and the policy was cancelled. I am satisfied that's a fair and reasonable conclusion based on the evidence provided to me.

Delay

The incident happened on 14 March 2025 and Ms S contacted Zurich the day after in which she provided information about the circumstances of the incident. Zurich contacted her again on 17 March 2025 to confirm details and explain what it needed from her and what would happen next.

Her claim was put on hold on 28 March 2025 to conduct investigations into the circumstances surrounding the incident. Zurich is entitled to conduct thorough investigations, and due to the inconsistencies in evidence provided to it in this case, I think it was necessary for it to investigate further.

Ms S said she wasn't kept up to date with developments, however I saw on 3 April 2025 it invited her to a face to face interview on 7 May 2025, then after she complained it managed to bring this forward to 15 April 2025, at which time she was able to arrange for her representative to also be in attendance. I saw in addition it tried to obtain further information from the police and the third-parties involved. I don't think it was necessary for Zurich to update Ms S in detail on all the investigation activity that was taking place as it was happening. Notice of cancellation was provided to Ms S on 25 April 2025, which was ten days after she provided her statement.

Based on the evidence provided I believe the claim was investigated without any avoidable delays. I am persuaded its further investigations were in the best interests of Ms S to ensure it made its claim decision based on an accurate facts of the incident.

Therefore, I don't uphold Ms S's complaint and don't require Zurich to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 28 November 2025.

Sally-Ann Harding
Ombudsman