

The complaint

Mr K has complained that AA Underwriting Insurance Company Limited (AAUICL) unfairly cancelled his car insurance policy.

What happened

Mr K bought a car insurance policy with AAUICL in June 2025 to start on 9 July 2025. AAUICL emailed Mr K for validation documents on 17 July 2025. It didn't receive a reply so it emailed and wrote to Mr K again on 25 July 2025. AAUICL said if it didn't receive the validation documents in the next seven days it would cancel his policy on 1 August 2025.

AAUICL didn't hear from Mr K and so on 1 August 2025 it cancelled his policy. Mr K said he received confirmation of cancellation by recorded delivery from AAUICL on 4 August 2025.

Mr K complained to AAUICL. He said he didn't receive the emails or letter dated 25 July 2025 giving him notice of cancellation. He said AAUICL should have called him. Mr K said he had been unknowingly driving uninsured for four days.

AAUICL didn't uphold Mr K's complaint. It said it had correctly followed its cancellation process.

Mr K brought his complaint to us. He provided a photo of the letter from AAUICL dated 25 July 2025 giving him seven days' notice of cancellation. He said he didn't receive the emails AAUICL had sent as they went into his spam folder.

Mr K wanted AAUICL to reinstate his policy. He said he was unable to obtain alternative insurance due to the cancellation by AAUICL.

One of our Investigators didn't recommend the complaint should be upheld. Mr K disagrees and wants an ombudsman to decide on his case. He says AAUICL should have called him as well as email and write to him.

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.

AAUICL sets out under the policy when it is entitled to cancel the policy and its cancellation procedure. It reads;

“The Insurer [AA] reserves the right to carry out any additional checks required to validate authenticity of the information supplied by you.”

And;

“The Insurer or AAISL may cancel this insurance if there are valid grounds to do so,

these are... 7. Failure to supply requested validation documentation (for example, proof of address, V5, proof of purchase, proof of No Claims Discount, Driving Licence of any named driver, Security certificate etc.)... Your insurer or AAISL will send at least 7 days written notice to your last known address."

AAUICL has provided a copy of the emails it sent to Mr K on 17 July 2025 and 25 July 2025. It is accepted that Mr K received them. But he says they went into his spam folder. I can't hold AAUICL responsible for this.

When an insurer intends to cancel a policy, we say it should use two forms of communication to let a customer know of its intention. In this case, Mr K provided us with a photo of the letter dated 25 July 2025 from AAUICL. So I'm satisfied that Mr K was notified by two different ways of communication. This means I don't find AAUICL acted unreasonably by not also calling Mr K.

AAUICL told us it has removed any record of a cancellation by it. It said;

"The Validation Team Leader has removed the enforced cancellation from the consumer's record to ensure he has no issue getting insurance in the future."

So I find AAUICL treated Mr K fairly. This means I'm not upholding the complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 27 February 2026.

Geraldine Newbold
Ombudsman