

The complaint

Mr F complains Tradex Insurance Company PLC (Tradex) unfairly recorded it had cancelled his motor insurance policy.

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

There are several parties and representatives of Tradex involved throughout the complaint but for the purposes of this complaint I'm only going to refer to Tradex.

What happened

Mr F took out a telematics motor insurance policy with Tradex. During the term of the policy he notified Tradex he would need to make a change to his occupation, to increase mileage and add business use to his cover.

Based on these changes Tradex was unable to offer cover because the updated information didn't meet its criteria.

On Mr F's instruction, Tradex cancelled the policy. It recorded this as voluntary cancellation.

Mr F said the policy cancellation was recorded and communicated in a way that strongly suggested it was insurer initiated and this had led to long-term consequences and confusion.

Because Mr F was not happy with Tradex, he brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said the cancellation had been marked as a voluntary one which could mean that the policy no longer meets the consumer's needs. They said there was nothing Tradex could have done that would affect Mr F's ability to get insurance elsewhere.

As Mr F is unhappy with our investigator's view the complaint has been brought to me for a final 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.

When Tradex told Mr F it would be unable to offer cover with the changes he had requested, he decided to cancel his policy. I saw evidence that Mr F requested the cancellation to take place on 22 July 2025 for the reason it was *unable to comply with his new conditions*. On 22 July 2025 Tradex confirmed to him in writing that his policy had cancelled, and there may be an outstanding balance due. It said it would be in touch with details of the balance and would provide a breakdown of this. On the same date Tradex also sent a seven-day

cancellation *notice*. I recognise this caused some confusion, and that Mr F was unsure about how the cancellation had been recorded.

Mr F said the cancellation of his policy had been incorrectly and unfairly recorded as insurer-initiated, despite the fact it was himself who made the cancellation. And that this had caused him problems when trying to obtain cover elsewhere.

On 7 August 2025 Tradex wrote to Mr F and apologised for any confusion he experienced in receiving the two letters in one day. It clarified the seven-day cancellation notice had been automatically triggered because based on the changes he had requested, it wasn't able to continue with his policy. It explained because Mr F had requested to cancel his policy from 22 July 2025, the cancellation confirmation had been sent to him on the same day as the automatically triggered notice.

I saw Tradex explained to him that when a policy is cancelled, the cancellation is recorded in one of two ways; as cancelled by the insurer or cancelled by the proposer, also known as the policyholder. It said there are no other categories it can use to record a policy cancellation. It confirmed it had recorded this as cancellation by the proposer, which in this case was himself.

It further explained that cancellation by the proposer is a voluntary cancellation and isn't regarded as an enforced cancellation. And it confirmed cancellation of his policy due to his change in circumstances didn't affect future insurance policies, because it wasn't considered an enforced cancellation. It told him he would not need to declare that he had a previous policy cancelled.

Mr F said because his policy with Tradex was cancelled this had an effect on future policy premiums and also on job opportunities. We cannot tell Tradex (or any insurer) that it should use, or discount, specific data when deciding of to offer a policy and what to charge. That's because the risk is Tradex's to take on so it will decide how to assess it and will offer policies that meets its own risk criteria. Providing they treat people fairly, insurers and brokers are entitled to offer or decline cover and charge what they feel they need to in order to cover a risk. Therefore, I'm unable to hold Tradex responsible for missed job opportunities because it was unable to offer him a policy based on the updates he requested.

Mr F provided evidence of insurers declining to offer cover and quotes with huge premiums when he tried to obtain alternative cover after he cancelled his policy. I am unable to comment on how these premiums were calculated, and how other insurers calculate premiums does not form part of this complaint. It is not clear if Mr F had declared a policy cancellation when obtaining these quotes. However, he didn't need to declare a cancellation because it was a voluntary cancellation, and was correctly recorded as such by Tradex.

I saw evidence of a detailed breakdown and explanation of the calculation of policy premiums due up to the policy cancellation date was sent to Mr F. He had opted to pay monthly and therefore his credit agreement was settled by Tradex and then cancelled. After a cancellation fee was deducted, a refund of the remaining balance was made to him. This is the correct process.

I understand Mr F told our Service that he has a diagnosed medical condition that means he is sensitive to uncertainty and miscommunication, and I therefore recognise consistency is important to him. I am truly sorry the two letters caused him such distress. However, Mr F's policy has been recorded correctly as cancelled by the proposer, and it explained this to him.

Therefore I don't uphold Mr F's complaint and don't require Tradex 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 Mr F to accept or reject my decision before 13 March 2026.

Sally-Ann Harding
Ombudsman