

## **The complaint**

Mr W complained that Advantage Insurance Company Limited cancelled his motor insurance policy.

## **What happened**

Advantage said that Mr W hadn't disclosed that he had a second occupation as a delivery driver. And if they had known about that, they wouldn't have insured him at all. They didn't avoid his policy from outset but instead cancelled it and didn't refund his premiums.

Mr W said he had disclosed his second occupation when he took out his policy and Advantage hadn't transferred it over to a new policy. He said this meant he had to pay higher premiums with his new insurer because of the cancellation. He wanted Advantage to confirm that his policy wasn't cancelled due to non-disclosure and to refund the premiums he'd paid.

The investigator recommended that Mr W's complaint should be upheld because Advantage hadn't acted fairly. He thought Advantage should avoid the policy for careless misrepresentation and refund his unused premiums. Advantage and Mr W didn't agree with this, and I was asked to decide. I issued my provisional decision on 10 November 2025.

=s complaint was set up against the broker of the policy but should have correctly set up against Advantage as the insurer. Advantage have agreed to accept their broker's dealings with, and views on, the matter, and for this decision to be issued against Advantage.

## **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.

I provisionally decided not to uphold the complaint. In my provisional decision I said as follows:

“As the investigator explained, The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA) says that a consumer needs to take reasonable care not to make a misrepresentation when taking out an insurance policy. If a consumer does not take reasonable care, the insurer can take certain actions as long as the misrepresentation is a qualifying one and was deliberate or reckless, or careless. CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care.

So I must consider whether Mr W took reasonable care not to make a misrepresentation, and whether that misrepresentation was a qualifying one. To do so I've looked at the information from both Mr W and Advantage. I also decide if Advantage's actions were in line with CIDRA.

Mr W applied for the policy online via a broker website in early April 2024 then on about 18 April went online via his account portal and changed the vehicle on his policy. Later he called Advantage to ask them to change the type of cover on his policy and Advantage said they'd

have to change it to a new policy.

I've looked at the questions asked of Mr W when he applied for the policy and changed it. Advantage have shown us what questions the broker website asked. I've looked to see if those questions were clear. And I've considered what a reasonable consumer would have done in the circumstances, taking reasonable care not to make a misrepresentation when answering those questions.

The broker's website asked Mr W to provide his employment status, what he did for a living, and what type of industry he worked in. At that stage he wasn't given an option to disclose a second occupation. However when he went online on about 18 April to change his car on the policy, he was asked to enter his primary occupation and after that was asked if he had a second job and a box under it says 'Add another job'. If Mr W had clicked on the box he could have entered his secondary occupation as delivery driver. But in the "Your statement of insurance" issued on 18 April as part of his policy documents it states only his primary occupation as claims assessor.

I think that the questions and the information given about how to answer them there are clear. I've listened to the recordings of the calls Mr W had about changing the cover type on the policy. The adviser asked him if all the other policy details were up to date and correct as they had him down as employed as a claims assessor. Mr W confirmed that was correct.

And so I think that Mr W did not take reasonable care not to make a misrepresentation and it was a qualifying misrepresentation under CIDRA. I think that Mr W should have known that having a second occupation as a delivery driver was relevant and material to Advantage and something Advantage were entitled to know before they agreed to insure him. And the result of his misrepresentation was that Advantage entered into an insurance contract with him when they wouldn't otherwise have. Advantage have shown us their underwriting criteria that confirm that they would not have insured Mr W at all had he answered the question correctly.

Further, Advantage had sent Mr W his policy documents which said that should tell them about anything in them which was incorrect. But Mr W didn't tell Advantage that his policy documents didn't mention the second occupation of delivery driver. This was despite the policy clearly stating that being a delivery driving was excluded from cover.

Because Advantage have shown that they wouldn't have offered cover at all without the misrepresentation, under CIDRA they can avoid the policy which means that Advantage can treat it as if it did not exist from the start. However Advantage chose instead to cancel the policy and keep the premiums. I can't say that it was unfair or unreasonable for them to do that. That's because an insurer doesn't have to avoid the policy in these circumstances when there hasn't been a claim. CIDRA states that the remedies available to an insurer don't affect their contractual rights to cancel. They can choose to cancel the policy from the point of the misrepresentation, as long as their policy terms allow that.

Advantage's policy does allow it. It does give them the right to cancel for reasons including that they "*reasonably suspect that the information you provided when you took out or renewed your policy was false or misleading such that Your Legal Obligations were not complied with as set out earlier in this policy. As an alternative, the insurer may elect to treat your policy as if it never existed*" and if "*You or anyone else covered by your policy has used your car/s for any purpose not covered by this policy.*"

And by Advantage choosing to cancel the policy rather than avoid the policy Mr W remains insured under the policy up until it was cancelled. So Mr W did get the benefit of the premiums paid as Advantage would have to cover Mr W for any claims arising in that period.

Mr W wouldn't be uninsured as he would if Advantage had avoided the policy from outset.

Ultimately Advantage did have the right to cancel Mr W's policy rather than avoid it. And so , though I realise that Mr W may find this decision disappointing, I don't think that Advantage have acted unfairly and so I don't require them to do anything different."

Neither party has replied to my provisional decision. Accordingly I see no reason to change it. And so my final decision is not to uphold the complaint.

### **My final decision**

For the reasons I've given above, it's my final decision that I don't 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 10 February 2026.



Rosslyn Scott  
**Ombudsman**