

## The complaint

Ms C says U K Insurance Limited ('UKI') unfairly cancelled her motor insurance policy. Later, she said it had contacted emergency services unjustifiably about her welfare.

## What happened

Ms C started the policy on 25 April 2025. On 8 May 2025 she added her son to it as an additional driver. On 17 May 2025 he was in possession of the car when he said it was badly damaged by an act of vandalism. Ms C reported the incident to UKI the next day. In investigating the claim, UKI found that Ms C had made three claims on other policies before starting UKI's policy and hadn't disclosed them. It also noted that in two calls to UKI she'd said her son only had driven the car since he was added to the policy, and that she'd have sold it had he not said he needed a vehicle, which he'd said he was going to pay for.

After UKI cancelled the policy, Ms C made a complaint. In response it said she hadn't told it her son would be the car's main driver, nor had she disclosed her three previous claims. It said when her claims and her son as the main driver were added to the policy, its underwriting criteria wouldn't allow it to continue (even at an increased premium) so UKI cancelled the policy. And as a claim on it had been made, it said the full premium was owed. In terms of the call its advisor made to emergency services, UKI said it takes signs of distress from a consumer seriously and has guidelines for advisors to follow.

Ms C then complained to us. One of our Investigators reviewed her complaint, but he didn't uphold it. He looked at the relevant law - *The Consumer Insurance (Disclosure and Representations) Act 2012* ('CIDRA') and noted that Ms C had made a 'qualifying misrepresentation'. She'd provided the wrong answer to a clear question about her previous claims – and UKI had shown that had it known the facts it wouldn't have offered her cover. But it decided to cancel the policy (rather than avoid it). The Investigator thought the welfare call to emergency services was made out of genuine concern for Ms C and was reasonable.

Ms C was unhappy that UKI couldn't provide a copy of the call recording that led to the welfare call, which she said was unnecessary and had caused her much distress and inconvenience. She objected to UKI saying her son was the car's main driver. She thought UKI didn't want to continue to insure him as he'd had two accidents within days of being added to the policy. And she said UKI hadn't originally said anything about her previous claims.

## 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.

We don't have a copy of the call during which Ms C set up the policy, but I think it's very likely that she was asked about whether she had made any claims in the previous five years. It's a standard question asked by all insurers. The policy documents were sent to her shortly afterwards and she was asked to read them carefully and advise UKI if any changes were necessary. The documents showed that Ms C had said 'No' in response to the question

*'Have you or anyone named on the policy had any accidents, claims, or losses regardless of fault in the last five years?'*. And although it emerged later that she'd made claims during that five-year period, she didn't call UKI to correct the inaccurate record.

When Ms C contacted UKI about her son's vandalism incident, the advisor asked during the call if he or Ms C had made any claims during the last five years. She didn't disclose her claims then, either. So the amended policy documents were issued, showing no claims in the last five years for her or for her son. The covering letter once again said Ms C should check the details in the documents carefully. Ms C didn't contact UKI to correct the record, so it only found about her claims when investigating the incidents in May 2025.

Had UKI applied CIDRA, it would have had to decide if Ms C took reasonable care to answer the question it had asked about previous claims. It would then have had to decide whether the right answer to the question would have made a difference to it. If so, the misrepresentation would have been a qualifying one. UKI would then have had to decide if it thought Ms C had acted carelessly (or deliberately / recklessly) in giving it inaccurate information. Even if it thought she had only acted carelessly, UKI would have had the right to avoid the policy altogether (to treat it as though it never existed). And in that case, no claim made on the policy would have been covered.

I think it worked in Ms C's favour that UKI decided to cancel the policy instead, as she was left in a better position than she would have been otherwise. It meant the three incidents reported to UKI before the cancellation (two on 17 May 2025 and one on 26 May 2025) could still be investigated and potentially covered, once validated.

The policy says policy holders must provide accurate information about all drivers and give details of any changes after the policy starts, otherwise the policy may be invalidated and any claims not paid. UKI may cancel at any time for a valid reason. Providing inaccurate information is a valid reason, and I think UKI can show it had a sound basis for concluding that she'd done that. It said once it had all the correct and relevant information, Ms C's circumstances no longer met its underwriting criteria for offering insurance. So although she doesn't think the policy should have been cancelled, I think UKI can show it acted reasonably in doing so.

Ms C is upset that UKI concluded her son became the car's main driver after he was added to the policy. But that's because Ms C told UKI more than once during calls that she hadn't driven the car since that point. She also told UKI that she hadn't sold the car because he needed a car, and that he had promised to pay for it. The three incidents it was asked to deal with under the policy all involved him driving and / or being in possession of the car. And Ms C had another car that she was driving. She said later that she'd only given her son the car for a short time, to help out with family issues, but that doesn't tally with the information she'd given UKI previously. I don't think it was unreasonable for UKI to reach the conclusion that Ms C's son was the car's main driver in the circumstances.

Ms C doesn't think she should have to pay the outstanding balance for the premium, but it's standard industry practice that if even one claim is made on a policy, the full premium for the policy year is due. So I think it's fair for UKI to require Ms C to pay the remaining sum.

In terms of the welfare call, I understand Ms C's frustration that the call recording isn't available. We asked UKI to check its records again, which it did, unsuccessfully. In these circumstances we look at any other evidence that might assist us to decide if UKI acted reasonably. I think the recording of the call to the emergency services, plus UKI's notes, show that Ms C gave UKI's advisor specific details of her very upsetting personal circumstances at the time, and that she had disclosed medical conditions that made her a vulnerable consumer. In my opinion, the advisor thought the details she'd been given, plus

her view of Ms C's emotional state during the call, justified a welfare referral. I can't say that was unreasonable, and I don't think there's any evidence that the advisor acted maliciously.

As I don't think Ms C has shown that it was unreasonable for UKI to cancel the policy, or that it was unreasonable for it to make a welfare referral, I can't uphold her 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 Ms C to accept or reject my decision before 11 March 2026.

Susan Ewins

**Ombudsman**