

The complaint

Mrs J complains that Advantage Insurance Company Limited (“Advantage”) treated her unfairly in relation to a motor insurance policy.

What happened

For the year from early April 2022, an insurance intermediary associated with Advantage issued a motor policy in the name of Mrs J as policyholder.

Much of the complaint is about acts, omissions and communications of the intermediary on behalf of Advantage. Insofar as I hold it responsible for them, I may refer to them as acts, omissions and communications of Advantage.

Advantage cancelled the policy. Advantage also applied a fraud marker against Mrs J.

By January 2026, Mrs J had complained to Advantage about that marker.

By a final response dated 22 January 2026, Advantage turned down the complaint.

Mrs J brought her complaint to us the next day.

Our investigator didn’t recommend that the complaint should be upheld. She thought that Advantage had acted reasonably and fairly in line with the terms of the policy by cancelling it. She thought that Advantage had acted in line with the rules set out by the National Fraud Database for applying the CIFAS marker.

Mrs J disagreed with the investigator’s opinion. She asked for an ombudsman to review the complaint. She says the following:

“I understand that i cannot prove that I didn’t do this , nor having any knowledge about what was done on the insurance. But I think almost 4 years is a big amount of time , and also insurance has been canceled at the time , I didn’t get any benefit from then ,and that could be erased. As it can be checked that never ever have I done anything.”

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.

The policy named Mrs J as policyholder and her spouse as a named driver.

Mrs J paid about £140.00 and agreed to pay monthly instalments from her bank account.

The policy documents said that she had four years no-claims discount (“NCD”).

The policy documents included Mrs J’s email address.

The policy terms included the following:

“General conditions

...

7. Fraud

You must not act in a fraudulent manner. If you, or anyone acting for you:

- Knowingly provide information to us that is not true*
 - Mislead us in any way, including about who is the main user of the Car, in order to get insurance from us, obtain more favourable terms or reduce your premium*
- ...*
- Submit a document in support of a policy or claim knowing the document to be forged or false in any respect*

...

Then, depending on the circumstances:

- Your Insurer may be entitled to refuse responsibility for the claim to which the alleged fraud or falsehood relates. They may also be entitled to cancel or void the Policy without refunding your premium*
- All other policies you have entered into through us, to which you are connected (including van, bike and home insurance), may be cancelled and your Insurer will only give you a pro-rata refund*
- Your Insurer may inform the police of the circumstances of the claim”*

The policy terms also included the following:

“If you provide false or inaccurate information, and we identify that you’ve committed fraud, we may pass your details to the relevant agencies to prevent fraud and money laundering.”

The National Fraud Database principles refer to insurers as “members” and to an individual consumer as “the Subject”.

Principle 4 says the following:

“Cases filed to the National Fraud Database must be supported by evidence and meet the ‘four pillars’ of the Standard of Proof. The Standard of Proof is:

- 1. That there are reasonable grounds to believe that a Fraud or Financial Crime has been committed or attempted;*
- 2. That the evidence must be clear, relevant and rigorous;*
- 3. The conduct of the Subject must meet the criteria of one of the Case Types;*
- 4. In order to file the member must have rejected, withdrawn or terminated a Product on the basis of Fraud unless the member has an obligation to provide the Product or the Subject has already received the full benefit of the Product.*

All Subjects involved that meet the Standard of Proof, must be filed to the National Fraud Database.”

Advantage asked Mrs J for information including documents showing her address and proof of NCD.

Only Mrs J and her spouse were covered by the policy. So only she or her spouse had any reason to provide the documents to Advantage.

In response, Mrs J or someone using her email address sent Advantage documents including one bearing the name of a utility company and an NCD document bearing the name of another insurance company. I infer that Advantage didn't like the look of the documents, as it contacted those companies.

The utility company said that it did not have an account in Mrs J's name at the address she'd given. And the other insurance company said that the NCD document wasn't genuine.

So I don't consider that it was unfair for Advantage to regard the documents as fraudulent. And I don't consider that Advantage treated Mrs J unfairly by terminating the policy by cancellation.

Also I don't consider that it was unfair for Advantage to conclude that – to the National Fraud Database standard of proof – Mrs J had committed a fraud within the "Case Type" of "false application".

So I consider that Advantage was under an obligation to report to that database.

I'm satisfied that Advantage acted in line with the policy terms quoted above. I don't consider that Advantage treated Mrs J unfairly by cancelling the policy and reporting to the database. So I don't find it fair and reasonable to direct Advantage to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Advantage Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 10 April 2026.

Christopher Gilbert

Ombudsman