

## **complaint**

Ms W complains that One Insurance Limited (One Insurance) cancelled her motor insurance policy from the start (voided it) and wouldn't pay her claim. She wants it to pay this claim.

## **background**

Ms W's car was stolen in late January; it was then recovered by the police and taken to a recovery centre. Ms W says One Insurance initially agreed to pay her claim, but later voided her policy and declined the claim. One Insurance has refunded the premiums Ms W had paid towards the policy.

One Insurance did so because it believes the car had previously been written-off and Ms W hadn't disclosed this. Ms W says she didn't know the car had previously been written off.

Ms W was then chased directly by the recovery centre for the costs of recovering, gaining entry, and storing the car. She couldn't afford this or to repair the car, but was able to arrange and paid a reduced sum to settle this. The car has now been crushed.

Our adjudicator recommended that the complaint should be upheld. He thought Ms W had answered the questions truthfully to the best of her knowledge when taking out the policy.

One Insurance hasn't provided information explaining its position or responded to accept the adjudicator's recommendations, so the complaint has been passed to me to look at.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The key question to be determined here is whether Ms W was honest with One Insurance when she took out the policy. On the evidence available, I accept Ms W wasn't aware the car had previously been written-off and so I think she was honest in this matter.

I've considered what information Ms W had available and what steps a reasonable person would take to check whether a car they were insuring had ever been written off. The V5C vehicle registration certificate (V5C) given to us by Ms W shows the car had previously been "substantially repaired and/or accident damaged", but not that it had ever been written-off. If the car's previous owner had registered this, then it would show here. I think it's reasonable for Ms W to have relied on this.

No reasons have been put forward by One Insurance as to why it thinks Ms W did know or ought to have known the car had previously been written off. So, I don't think it acted fairly in voiding the policy.

The impact on Ms W of voiding her policy is that she's been without her own car for approximately four months – but she has been able to borrow her son's car. She also had the worry and inconvenience of paying the recovery centre costs directly. The adjudicator recommended One Insurance pay Ms W £250; for the reasons above I think £350 would be fair.

To put things right, One Insurance should put Ms W back in the position she would have been in had it not voided her policy, or as close to this as possible. As the car has been crushed, it should treat the claim as though the car was written-off.

### **my final decision**

My final decision is that I uphold this complaint. I require One Insurance Limited to do the following:

1. Reinstate Ms W's policy from the date it was voided.
2. Pay Ms W's claim in line with the remaining policy terms and add interest to the amount at the simple rate of 8% per year from the date she made her claim to the date it makes the payment.
3. Remove any record of the voidance from any databases it's been added to.
4. Pay Ms W £350 compensation for the trouble and upset caused to her.

As reinstating the policy will make the premiums payable, One Insurance can off-set these against what it will be paying out to Ms W.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 4 August 2016.

Stephanie Mitchell  
**ombudsman**