

## **complaint**

Mrs K has complained that Chaucer Insurance Services Ltd unfairly cancelled her motor insurance policy.

## **background**

Mrs K bought a motor insurance policy from Chaucer and it started immediately. The following day, it wrote to Mrs K and asked her to send it the following documents within seven days:

- A copy of her and her named driver's photo driving licences, front and back, with paper counterparts;
- A copy of her V5 registration document confirming ownership of her car;
- Proof of her No Claims history of six years.

Mrs K immediately sent Chaucer a letter from her previous insurer saying her No Claims Bonus (NCB) had expired some months before. Mrs K didn't send her or her named driver's driving licences, or a copy of her V5 document.

The following day Chaucer wrote and told Mrs K that it couldn't accept her NCB letter as proof of her No Claims history as there was a gap of several months in cover, so it asked her to provide a letter from her previous insurer to show the number of years NCB she had gained.

When Chaucer didn't receive the other documents it had asked for, it wrote to Mrs K to tell her it was cancelling her policy in seven days. Mrs K called Chaucer and said she hadn't noticed its request in its earlier letter, and said she didn't yet have her V5 registration document back from the DVLA. Mrs K called again the following day and asked Chaucer for an extension of time to send it these documents, but Chaucer didn't agree. On both occasions Chaucer told Mrs K that if it didn't receive the documents it had asked for by the end of the seven day period, it would cancel her policy.

Chaucer then cancelled Mrs K's policy as it didn't hear from her. It refunded the insurance premium to Mrs K minus its cancellation fee of £20.

Mrs K complained to Chaucer over a year later as she was having difficulty obtaining a motor policy because her records showed that an insurer cancelled her policy on her. Chaucer didn't agree that it had done anything wrong when it cancelled Mrs K's policy, but as a gesture of goodwill, it refunded its £20 cancellation fee to her.

Mrs K then complained to us as she still believed Chaucer hadn't been reasonable in not giving her further time to provide her V5 registration document. The adjudicator who investigated her complaint didn't think it should be upheld. She felt Chaucer had shown that it had clearly told Mrs K what documents it needed and that Mrs K had failed to provide them.

Mrs K didn't agree. She thinks Chaucer was being unreasonable to her as she couldn't control when she would receive her V5 document back from the DVLA. She wants Chaucer to remove the cancellation recorded against her as she can't find affordable motor insurance elsewhere because of this cancellation.

So the matter has been referred to me to decide.

### **my findings**

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I also don't uphold Mrs K's complaint and I shall now explain why.

Chaucer wrote to Mrs K the day after her policy started and clearly asked her to provide evidence of her NCB, full copies of the driving licences for her and her named driver, and a copy of her V5 registration document. It gave Mrs K seven days to provide these documents. Mrs K received this letter because she referred to it when she called Chaucer after receiving the cancellation warning letter, but she admitted she didn't read it properly as she said she hadn't realised she needed to send these documents in.

By the time Mrs K realised Chaucer needed these documents, she had only three days left before Chaucer was due to cancel her policy. Mrs K says that Chaucer cancelled her policy unfairly because she had no control over when she would get her V5 registration document back from the DVLA. But this wasn't the only document Chaucer hadn't received by the cancellation date, as Mrs K hadn't sent in the required driving licences or further information from her previous insurer concerning her NCB. I think that if her V5 registration document had been the only document Chaucer was missing at the time of its cancellation, then it might have been unreasonable for it to proceed to cancel Mrs K's policy in any event.

However Mrs K didn't send Chaucer any of the requested documents in time, and she had received its original letter, so I think Chaucer acted reasonably when it didn't agree to give such an extension to Mrs K.

I also think Chaucer was clear in its request for these documents in order to be able to provide the insurance policy to Mrs K. So I don't think Chaucer is responsible for Mrs K's lack of care in reading the letter Chaucer sent to her.

Mrs K sent Chaucer a letter which showed that her NCB had expired as she had a gap in her insurance cover for several months. Chaucer wrote to Mrs K the following day and said it would accept alternative documents from her previous insurer in these circumstances to prove her No Claims history, but it didn't receive any of these from her. This was two days after the policy started and I think Chaucer replied promptly to Mrs K when it saw that her NCB had expired. It clearly offered her an opportunity to send further evidence of her NCB, which was also reasonable, but Mrs K didn't send any of these alternative documents to Chaucer.

Mrs K was well aware that her policy would be cancelled if she didn't send the requested documents in time, so I think the cancellation was reasonable. And when Mrs K complained to Chaucer, I think its decision to refund the cancellation fee to her as a gesture of goodwill was also reasonable.

Chaucer recorded its cancellation of Mrs K's policy on a central database which insurers use to share information about any incidents, accidents or claims and is a useful tool in preventing fraudulent claims. Some insurers may choose to charge a higher premium using the information from this database. This is because it considers any event to be an increased risk.

I appreciate that Chaucer's recording of its cancellation means that Mrs K may have to pay a higher premium for her motor insurance in the future, but a cancelled insurance policy is something that insurers take into account when deciding if there is a greater risk. I don't think Chaucer was wrong to have recorded Mrs K's cancelled policy, given that I agree with its reason for cancelling it.

**my final decision**

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs K to accept or reject my decision before 29 June 2015.

Geraldine Newbold  
**ombudsman**