

complaint

Mr A has complained about QBE Insurance (Europe) Limited's decision to decline a claim and void his policy as it was not satisfied that he was a motor trader and entitled to a commercial policy.

background

Mr A was involved in a road traffic accident (RTA) on 5 September 2010. During the course of its enquiries QBE requested evidence of trading from Mr A. As the information provided by Mr A was not considered adequate QBE voided the policy.

This led to Mr A being asked to sign a consent and indemnity form in 2011 which allowed QBE to deal with the claim from the third party on his behalf. Mr A says he cannot afford to pay the sum requested and highlights the stress that the situation has placed on his family.

Mr A made a complaint to this service which was considered by an adjudicator under a separate complaint reference number. The adjudicator rejected the complaint on the basis that she agreed with QBE that Mr A had not been able to provide proof of trading.

Subsequently Mr A brought the current complaint to the Financial Ombudsman Service. He claimed to have obtained new evidence of trading but again it was not acceptable to the underwriters. The adjudicator did not uphold the complaint for essentially the same reasons as the first complaint. He was not satisfied that Mr A had provided sufficient evidence that he was a motor trader.

The adjudicator noted that when the QBE policy began Mr A had previously been insured with another insurer under a motor trade policy and so should have been aware how the policy worked.

As the matter could not be mediated it has been escalated to me for a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have reviewed the information submitted by Mr A, but the documentation he has provided does not show the vehicles he bought and who they were sold to, or the full registration details. QBE asked Mr A to provide further evidence in support of his position that he was a motor trader but he hasn't been able to provide this. I would expect Mr A to have provided a profit and loss account for the year the accident occurred and details of sales and purchases from the auction houses he says he used. I note that he has provided some details from an auction house but I don't think QBE is acting reasonably in asking for the documents to be dated. Indeed, Mr A specified that he was not a motor trader at the time he made the claim.

Insurers stipulate strict conditions to ensure that motor trade policies are used for the correct purposes. I am satisfied that these conditions were brought to Mr A's attention when the policy started. Furthermore, Mr A ought to have been aware of the conditions of the policy as held a similar policy previously.

Overall, I am satisfied that Mr A has not provided adequate evidence that he was actively engaged in the motor trade for profit during the period of cover. Because of this, I am unable to conclude that there is proof of vehicle trading at the time of buying the policy or when the accident happened.

I can appreciate that this is a difficult time for Mr A and the costs involved are substantial but, despite my natural sympathy, I do not find that QBE has acted unfairly in voiding the policy. Therefore, I am satisfied that QBE's decision to reject the claim was fair.

my final decision

It follows, for the reasons given above, that I do not uphold Mr A's complaint and I make no award against QBE Insurance (Europe) Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr A to accept or reject my decision before 30 April 2015.

Colin Keegan
ombudsman