

complaint

Mr K complains that Octagon Insurance Company Limited (“Octagon”) treated him unfairly in cancelling his motor insurance policy.

background

I’ve attached my provisional decision from November 2015. It forms part of this final decision. In it I set out why I was intending to uphold Mr K’s complaint. I also invited Mr K and Octagon to send me any further information they wanted me to look at before I made a final decision.

Mr K didn’t comment on my provisional decision. Octagon said that it accepted it.

my findings

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

I haven’t received any further information from either party following my provisional decision. So I can’t see any reason to change my views on this complaint. I still think it should be upheld.

my final decision

For the reasons given above and in my provisional decision, I’m upholding this complaint. I require Octagon Insurance Company Limited to:

- Pay Mr K £100 for the distress and inconvenience caused by its actions.
- Remove any record of the cancellation of Mr K’s policy from internal and external databases.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr K to accept or reject my decision before 25 January 2016.

Simon Furse
ombudsman

Copy of Provisional Decision

complaint

Mr K complains that Octagon Insurance Company Limited (“Octagon”) treated him unfairly in cancelling his motor insurance policy.

background

In January 2015 Mr K took out a motor insurance policy provided by Octagon. He bought the insurance on-line and the sale was completed by phone.

During this phone call he was asked to provide a number of documents, including two utility bills. He was told these documents needed to be sent within two weeks. He made the telephone agent aware that he was in the middle of moving home. And he said he might have difficulty in providing two bills with his new address on. The agent told him that a bank statement and one other document would be enough. And he suggested this other document could be something like a payslip.

Over the coming weeks Octagon continued to request further proof of his new address. Mr K provided a bank statement with his address on. But on a further call to Octagon he continued to say it was difficult for him to provide other documents. He was told he still needed to send in a utility bill and that a mobile phone bill would suffice. When Mr K spoke to Octagon again about what was required, he was told it needed both a mobile phone bill and a council tax bill. Mr K explained that he wasn't on the council tax bill. And the agent said he would need to be added to it.

As well as these calls, Mr K also received written requests for proof of address documents. He then sent in two bills. One was a mobile phone bill and one was a council tax bill. Both of these had his new address on them. But Octagon weren't happy with the council tax bill he'd sent. It said the bill had been altered to show Mr K's new address on it. And it told him, because of this, it was cancelling his policy.

Our adjudicator thought Mr K's complaint should be upheld. He felt Octagon had treated him unfairly. He said he didn't think that Mr K was trying to mislead the business into thinking he was living at a false address. And he thought it was unreasonable for Octagon to say it would cancel his insurance if he didn't produce a council tax bill. He said Mr K had explained why this wasn't possible, so it shouldn't have continued to ask for this proof. Octagon didn't agree with the adjudicator, so the case has been passed to me.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm intending to uphold it.

I've listened to the recordings of the calls between Octagon and Mr K. I haven't heard anything in these to suggest that Mr K wasn't being open and honest about his circumstances. I think his explanations for why he was having difficulty providing some of the information requested appear reasonable. And I don't have any reason for thinking that what he said about recently moving home wasn't true.

These calls also seem to show that the proof of address Mr K was asked for changed over time. In the first call, he's told that a bank statement and one other document would be enough. But this changes on more than one occasion. And in later calls he's asked to provide a council tax bill. It's not clear to me why what Octagon's asked for changed in this way. But I can understand why he may have felt angry and frustrated about this. Mr K told Octagon he wasn't able to provide a council tax bill. So it doesn't seem reasonable to me that Octagon should continue to ask for this. Or to suggest to him he should arrange to put himself on council tax bills in order to show he lived at the new address. I think it would have

been reasonable, in the circumstances, to suggest something else he could give it to show he'd changed address.

Octagon says the address on the council tax bill which Mr K eventually gave it had been altered. This may be so. But I don't think it shows he was trying to deceive it about where he lived. I think it's probably more likely to have happened because he felt pressured by Octagon into giving it a document he didn't actually possess. And I can see why he would have felt worried and upset that not being able to do so could result in his policy being cancelled.

I can understand why Octagon wanted to get proof of Mr K's address. And also that it might not want to offer insurance to him, or at least on the same terms, if it he lived at a different address. But in this case, I don't think it acted reasonably towards Mr K. It didn't tell him he needed to provide a council tax bill when he first took out the insurance. So I don't think it was reasonable for it to insist on this at a later date.

I think Mr K has been caused distress and inconvenience by Octagon's actions. And I think it should pay Mr K £100 to compensate him for this. I also think that it should remove any record of his insurance being cancelled from internal and external databases.

my provisional decision

It follows from the above that I'm intending to uphold Mr K's complaint and require Octagon Insurance Company Limited to:

- Pay Mr K £100 for the distress and inconvenience caused by its actions.
- Remove any record of the cancellation of Mr K's policy from internal and external databases.

Simon Furse
ombudsman