

## **complaint**

Mr and Mrs L have complained about One Insurance Limited's handling of their car insurance policy.

Reference to One Insurance includes their agents.

## **background**

Mr and Mrs T had their car insurance policy with One Insurance. Mrs T was the policyholder and Mr T was a named driver. Their son was also a named driver. The policy was taken out in 2013 through an insurance broker after being directed by a comparison website. Mrs T said Mr T had completed the online application on her behalf. When taking out the policy Mrs T declared she was the owner and registered keeper of the car. I understand initially the policy renewed annually. But that later changed into a monthly rolling policy. The last monthly renewal started on 22 July 2018.

Unfortunately, on 7 August 2018, the car was destroyed by fire and Mr and Mrs L claimed on their policy. While doing validation checks One Insurance found out the owner and registered keep of the car was Mr and Mrs L's son. One Insurance said had they known the owner and registered keeper was their son, they wouldn't have offered the policy. So, One Insurance didn't pay the claim and they voided (treated as though it never came into existence) the policy from the last monthly renewal in July. One Insurance refunded Mr and Mrs L the premium for the last month's cover.

Mr and Mrs L didn't think that was fair and complained. But One Insurance didn't uphold it. Mr and Mrs L didn't think that was reasonable so they brought their complaint to us. One of our adjudicators looked into it. He felt that One Insurance's decision was reasonable. As Mr and Mrs L didn't agree with our adjudicator, the complaint has been passed to me to decide.

## **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 appreciate this will be disappointing for Mr and Mrs L, but I'm not going to uphold their complaint. I'll explain why.

In their complaint, Mr and Mrs L have made a number of detailed points and I've considered all those carefully. But, in this decision, I will focus on what I consider to be the key issues. My role is to decide if One Insurance have dealt with Mr and Mrs L in a fair and reasonable way.

I have seen One Insurance's underwriting criteria. Each insurer sets their own underwriting criteria which are the rules they follow to determine whether or not they will provide someone with cover. One Insurance's rules say that they won't provide insurance to anyone where the owner and registered keeper of the car is the policyholder's child. I'm therefore satisfied that if One Insurance knew that Mr and Mrs L's son was the owner and registered keeper of the car at the outset they wouldn't have insured them.

One Insurance have suggested that Mrs L not telling them about her son owning the car amounted to, what is known in the insurance industry, a careless misrepresentation. And there's specific legislation - the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA) – that sets out what insurers may do in such a situation. It says that insurers may void the policy and refuse all claims if they wouldn't have provided cover had the correct information been given by the policyholder when applying for the policy. Where that happens the insurer must return the premium, which is what One Insurance have done.

In Mrs T's case, I've been shown the questions she was asked on the online comparison website. One question asked: "*Are you (or will you be) the legal owner of this car?*" Beside that question there was an information box that said: "*We need to know whether the car belongs to you. If you don't own the car, you should answer 'No' (the owner of the car and the registered keeper can be different people)*". The next question asked: "*Are you (or will you be) the registered keeper of this car?*" Beside that question there was an information box that said: "*The registered keeper is the person whose name appears in the car's log book (V5 registration document). The owner of the car and the registered keeper can be different people.*" Mrs L answered "yes" to both questions. I know Mrs L said Mr L had completed the online application for her. But that was done on her behalf and she is responsible for the answer's given. I've seen that Mr and Mrs L's son is the registered keeper of the car on the V5 registration document. The finance agreement is also in his sole name. So he was the owner and registered keeper of the car.

Once the online application was completed on the comparison website, a number of policies offered by different insurers were displayed. Mrs L chose one and they were directed to the broker's website. Mrs L had to confirm the details she entered on the comparison website were correct before the broker sold her the One Insurance policy. Once the policy was taken out Mr and Mrs L were sent a number of documents, including the policy certificate, policy schedule, One Insurance's terms and conditions policy booklet, the broker's terms of business and a document called "statement of fact". Those documents explained the policy was provided on the basis of the information Mrs L had given, including she was the owner and registered keeper. The documents asked her to read everything carefully and to correct any information that was incorrect. There was also a warning that, if that information was wrong, in certain circumstances, the policy could be cancelled or voided and any claim not paid out. But Mrs L didn't correct the information.

I understand that One Insurance sent Mr and Mrs L a statement of fact once a year. That document said the policy was provided on the basis that Mrs L was the owner and registered keeper of the car. It said the document should be read and corrections made if anything was inaccurate. But no corrections were made.

I think the information One Insurance provided Mr and Mrs L, and the yearly reminders for them to check the information and correct inaccuracies was clear. I accept that there was no bad intent on Mr and Mrs L's part but I do think that a careless misrepresentation was made. I therefore feel that One Insurance's decision to void the policy; not pay the claim; and refund the final month's premium was in accordance with CIDRA and therefore reasonable. Mr and Mrs L said that they feel One Insurance should refund their premiums since 2013 when they first started their policy with them. But I think it's reasonable for One Insurance to only refund the premium for the period of insurance which was voided. And as Mr and Mrs L had a rolling monthly policy, the final period of insurance was 22 July to 22 August 2018. I know the information on which One Insurance provided cover since 2013 was inaccurate. I therefore think if there was a claim during that period and One Insurance found out about the information being wrong, they would have voided the policy. But even though the policy was based on wrong information that gave One Insurance the right to void the policy, it's possible that, under the provisions of the Road Traffic Act 1988, if there was an accident or incident, One Insurance may still have been required to pay a third party's claim. For that reason they still provided cover for which they were entitled to be paid.

Finally, Mr and Mrs L said that after our adjudicator issued his view they applied for a new policy on another car with One Insurance. They said they used the same details, namely that Mrs L was the policy holder and her son was the owner and registered keeper of the car. They said One Insurance offered to insure them which means their policy shouldn't have been voided on the basis that One Insurance would never have given them cover. Our adjudicator told Mr and Mrs L they could make a new complaint to One Insurance on this point if they wanted to. That's because One Insurance haven't been given the opportunity to respond to this issue. But it may be helpful if I explain what I think has happened from the information I've seen. I think Mr and Mrs L got a new quote from the same insurance broker but not from One Insurance. The insurance broker Mr and Mrs L have been using don't underwrite the policies they sell. As an insurance broker they sell policies and help administer them. They work with a number of different insurers like One Insurance. So, when a customer applies for insurance and gives details of the cover they want, the broker will look to see which, if any, of the insurers they work with will offer that customer a policy. Different customers will have different needs and not all insurers will offer cover if the needs of a customer aren't in line with the insurer's rules (underwriting guidelines). And in this case, I think what's happened is that Mr and Mrs L have applied for new insurance through their broker on the basis that the owner and registered keeper is their son while Mrs L is to be the policyholder. And the broker has found an insurer that has offered them a policy on that basis. But the cover for that policy isn't provided by One Insurance. So even though the policy has been sourced from the same broker it's a different insurer that provides the cover. But if Mr and Mrs L want to raise a complaint about this issue they will have to tell One Insurance so they can respond accordingly.

While I have sympathy for Mr and Mrs L, and the consequences they have experienced because of the voidance of the policy, I'm not upholding this complaint.

**my final decision**

For the reasons set out above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs L to accept or reject my decision before 29 February 2020.

Mehmet Osman  
**ombudsman**