

## **complaint**

Mr M complains that Aviva Insurance Limited delayed handling his claim on his motor insurance policy and then declined it and cancelled his policy. He wants compensation.

## **background**

Mr M transferred the registration of his partner, Miss R's, car to himself. Miss R said she didn't think there was any finance on the car and said she was shown proof of this when she bought it five months previously. Mr M insured the car with Aviva and he made a claim for the car's theft two weeks after the policy started.

Aviva investigated the claim and five months later it cancelled the policy from the claim date. It also declined the first and a later claim for damage to another car on the policy. It said that Mr S, Miss R's previous partner, had finance on the car and it was unclear who the car's legal owner was.

Our investigator didn't recommend that the complaint should be upheld. She thought Aviva was entitled by the policy terms and conditions to reject the claim and cancel the policy if it had evidence that a claim was exaggerated or dishonest. Aviva had noted discrepancies in how the car had been purchased, who the legal owner was and that Mr M hadn't disclosed points on his licence. She thought Aviva had reasonably considered the evidence available and she couldn't say it had acted incorrectly. She thought Aviva's offer of £300 for its delays in coming to this decision was fair and reasonable.

Mr M's representative asked for the case to be reviewed by an ombudsman. So it's come to me for a final decision.

## **my findings**

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

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

Aviva relied on a condition in Mr M's policy that said if it thinks a claim is dishonest or exaggerated it won't pay the claim and may cancel the policy from the date of the claim. So I've looked to see if Aviva has reasonably investigated the claim and considered the evidence available before making its decision.

Aviva said there had been numerous inconsistencies provided about the circumstances of the purchase of the car. It obtained this information from what Mr M told it when he took out his policy, accounts provided by Mr M and Miss R, evidence from the finance company and an independent investigation.

I can see that there were different accounts of how the car was bought. Mr M said Miss R had bought it from an online site and he'd then re-registered it to himself. Aviva couldn't find this online ad. But it found a later one placed by Miss R. Mr M's representative said that Mr S had bought the car for Miss R. Miss R said she'd then paid Mr S cash for the car. But I've seen evidence that Mr S was still making payments for the car when it was stolen. He said Ms R hadn't repaid him for the instalments.

Mr M and Miss R said there wasn't finance on the car when he bought it. But Aviva found evidence from the finance company that Mr S still had finance owing on the car. I've seen evidence to support this.

So Aviva said it couldn't establish who the car's legal owner was. Aviva also thought there were inconsistencies in the descriptions of the car's finance. Miss R said she'd been shown a check that the car didn't have any finance when she bought it. I have seen evidence provided by Mr M and Ms R that there wasn't finance on the car when Mr S bought it from the first owner. But the finance company said Mr S was still making payments for the car when it was stolen.

Aviva also noted that Mr M hadn't told it about points on his licence when he took out his policy. But, as his policy had already been cancelled, it said this was no longer relevant.

So I think Aviva reasonably investigated the claim and considered the evidence before deciding to reject the claim and cancel the policy because of the inconsistencies in accounts about the ownership and finance of the car.

Aviva said it hadn't acted efficiently in dealing with Mr M's claim. It offered him £300 compensation for distress and inconvenience caused by the delays. From what I can see, there were delays caused by both sides. But I think Aviva could have avoided some delays and given Mr M its decision sooner. So I think its offer is fair and reasonable as it's in keeping with the level I'd award in similar circumstances. I don't require it to increase this.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 March 2019.

Phillip Berechree  
**ombudsman**