

complaint

Mr D complains that One Insurance Limited cancelled his motor insurance policy from the last renewal and rejected his claim. He wants it to settle his claim in full. Mr D is represented by his parents.

background

Mr D took out a policy with One through an online comparison site. He later made a claim but One rejected the claim and cancelled his policy from the last renewal. It said Mr D wasn't the insured car's registered keeper.

But Mr D said his father was shown as the registered keeper on his original proposal form. He said One was assuming that owner and registered keeper were the same. Mr D said he'd never received any policy documentation as his e-mail address had been compromised. Mr D had to pay for his car to be repaired and the cost of his car insurance has gone up because of the cancellation.

Our adjudicator recommended that the complaint should be upheld. She thought that One hadn't shown that it received inaccurate answers to clear questions about who the legal owner and registered keeper were. One's underwriting criteria didn't say that the policyholder must be the registered keeper of the insured car.

She recommended that One considered Mr D's claim subject to the terms and conditions of the policy. She thought it should pay him £250 compensation. She also recommended that One remove the record of cancellation from every database it had been entered on and write a letter to Mr D to confirm it had done this.

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 can appreciate that having his policy cancelled and his claim rejected has been a shock for Mr D and his family. It has left him out of pocket as he had to pay for repairs after an unfortunate accident. I can see that his premium has increased greatly as a result.

One said that the policy was cancelled because its underwriting criteria required the policy holder to be the car's legal owner and registered keeper. It said that Mr D had been asked clear questions about the car's ownership and registered keeper when he took out his policy but he hadn't answered these correctly.

Where a complaint arises from misrepresentation of information important to an insurer, we look to see that it asked a clear question when the policy was taken out. We check that the information given would affect whether a policy was offered. And we check whether the consumer has acted carelessly or deliberately in making the misrepresentation.

Mr D says that on the original application he said that his father was indeed the registered keeper. This was because the car was bought under a finance agreement and the registration document had to be in the name of the person taking out the finance agreement. But he remained the car's owner.

One provided us with a screenshot of the questions asked on the comparison site. But it hasn't been able to show that these were the same questions that Mr D was asked when he first took out his policy. So I think that it hasn't shown that clear questions about the registered keeper and legal owner were asked when the policy started or that inaccurate answers were given.

The insurance documents state that Mr D is the car's owner and registered keeper, but he never received these as his email address was compromised. So he didn't have a chance to correct them.

One also provided its underwriting criteria. It said this showed it wouldn't offer a policy if the owner and registered keeper weren't the same person. But I can see no mention of registered keeper in these criteria. It hasn't disagreed that Mr D is the car's owner. So I think it's unfair for One to cancel the policy and reject the claim for this reason. I think that it should restore Mr D's position and consider his claim.

Mr D and his family have been stressed and frustrated by One's decision. Mr D says that he has been made to feel like a liar. I think that One should compensate Mr D for this. The adjudicator has recommended £250. I think this is fair and reasonable.

my final decision

My final decision is that I uphold this complaint. I require One Insurance Limited to do the following:

1. Remove the cancellation from every database it has been recorded on and provide Mr D with a letter confirming that this has been done.
2. Consider Mr D's claim subject to the terms and conditions of his policy.
3. Pay Mr D £250 compensation for the trouble and upset he has been caused by the unfair cancellation of his policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 15 January 2016.

Phillip Berechree
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