

## **complaint**

Mr H has complained that Tesco Underwriting Limited unfairly cancelled his car insurance policy as if it never existed.

## **background**

Mr H obtained a quote through a comparison website for a car insurance policy with Tesco. He called Tesco to buy the policy. Mr H added his son as a named driver. And his son provided his bank details to pay for the policy.

Tesco found out that Mr H wasn't the registered keeper of his car. His son was. Tesco said it wouldn't have offered Mr H a policy at all if it knew he wasn't the registered owner or keeper of the car. It decided Mr H had deliberately misrepresented the facts when he bought the policy. So a month later, Tesco cancelled it from the start date as if it never existed. And it kept the premium Mr H's son had paid toward the policy.

Mr H complained to Tesco. He said he wasn't aware of being asked whether he was the registered owner of the car. And the V5 registration document doesn't prove ownership anyway. He wanted Tesco to refund the premium paid for the policy. He said Tesco had acted illegally by cancelling the policy as if it never existed.

Tesco didn't uphold Mr H's complaint. So Mr H brought his complaint to us.

Our investigator thought Tesco had acted reasonably. Mr H didn't agree. He provided photos of the V5 document which he says shows Tesco acted unfairly.

So the matter 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. Having done so, I don't intend to uphold it.

Under the Consumer (Disclosure and Representations) Act, it's the responsibility of the consumer to take reasonable care when answering questions when buying an insurance policy. When looking at complaints about misrepresentation, we consider a number of things. These are:

- Was the consumer asked a clear question?
- Did the consumer take reasonable care when answering the question(s)?
- If they didn't, was the misrepresentation careless, or deliberate?
- Did the insurer apply a reasonable approach to the misrepresentation: i.e. could the policy have continued on different terms?

Tesco has provided a screenshot of the questions Mr H was asked when he got a quote online. The two key questions under the heading "Car ownership" were; "*Whose name is on the registration document?*" A help note was also provided for this question. It read;

*"The registered keeper is the person or company named on the V5 registration document. "*

The next question was; *"Who owns the car?"* The help note read;

*"The owner is the person or company who bought the vehicle, or were given it as a gift. If the car's bought or leased on hire purchase, the company is typically classed as the owner. If you haven't bought the car yet, this'll be the person or company who own the vehicle."*

I think Mr H was asked clear questions. Mr H says the name on the V5 registration document isn't proof of ownership. He's right. But Mr H stated that he was both the registered owner and keeper of the car. This wasn't correct as his son was the registered keeper of the car on the V5 registration document.

When Mr H called Tesco to buy the policy, the agent asked him; *"you completed the original online quote yourself and the details are correct?"* Mr H answered "yes".

Tesco sent Mr H his policy documents and the Statement of Fact set out that Mr H was both the registered owner and registered keeper of the car. Tesco asked Mr H to check all of the details were correct. It said this was really important as if anything wasn't correct, it may void Mr H's policy.

Tesco has provided underwriting proof to show that if Mr H had answered these questions correctly, it wouldn't have offered him a policy. So I'm satisfied that Tesco's decision to cancel the policy as if it never existed was reasonable.

In Tesco's policy booklet, it said if Mr H made a false statement or misrepresented information, his policy could be voided and the premium would be retained. Tesco decided that Mr H deliberately misrepresented the facts. Mr H's son was a named driver under his policy. But he was the registered keeper of the car and was paying the premium for the policy in Mr H's name.

I think Tesco's decision to retain the premium Mr H's son paid when it cancelled Mr H's policy as if it never existed was fair and reasonable. There's nothing wrong with somebody else paying for a person's car insurance policy. But Mr H said he was the registered keeper of the car. It was on the basis of this (incorrect) information that Tesco offered a policy.

I realise that Mr H will be unhappy with my decision. But taking everything into account, I think Tesco acted in a fair and reasonable way. So I think the recording of the cancellation as if it never existed against Mr H does stand.

### **my final decision**

For the reasons I've given above, 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 H to accept or reject my decision before 16 March 2018.

Geraldine Newbold  
**ombudsman**