

background

The background and circumstances of this complaint and my initial thinking are set out in my July 2015 provisional decision. I attach a copy of that decision, which forms a part of this final decision.

Mr M and Zurich Insurance PLC have seen the provisional decision and responded. Mr M has accepted the provisional decision. Zurich Insurance PLC has agreed that it wasn't entitled to void (cancel from the beginning) Mr M's policy from June 2013. But it questions that I've considered the voidance at all, saying this wasn't part of Mr M's original complaint.

my findings

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

Zurich is entitled to have the opportunity to investigate and give its response to a complaint before it's considered by this service, and to make representations about a complaint when it's with us. So I've looked closely at what Mr M's initial complaint was about. I see that:

- in a final response letter to him dated 19 May 2015, Zurich told Mr M *"without your cooperation our underwriters have decided to void your policy...therefore we are unable to offer any financial assistance on your claim."*
- in his complaint form to this service Mr M says he's complaining about the service he got from Zurich and for his policy being cancelled *"for having the 'cheek' to complain"*. The complaint form was sent to Zurich in July 2015.
- the adjudicator included Zurich's decision to void the policy when he set out what Mr M's complaint was about in his assessment letter dated 23 July 2014. Zurich was sent a copy of this on 12 August 2015.

So I'm satisfied that Mr M's complaint always included the decision to void the policy – this was after all why his claim wasn't being paid. I also think Zurich has been aware of this, has addressed it with Mr M, and has had the opportunity to address it further with this service.

So Zurich's response doesn't affect the thinking I set out in my provisional decision. So for the reasons above and in my provisional decision (attached), I've decided to uphold Mr M's complaint in part.

my final decision

I've decided to uphold Mr M's complaint in part and I require Zurich Insurance PLC to withdraw the cancellation of the policy from June 2013 and any record of it by reinstating the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 September 2015.

Mike Foster
ombudsman

copy of provisional decision

complaint

Mr M's unhappy that Zurich Insurance PLC decided to cancel his policy from the beginning and hasn't paid him the £175 car hire costs he incurred because of its delay in deciding about his claim.

background

Mr M insured his car with Zurich on 11 June 2013. On 2 November 2013 he phoned to change the car insured under the policy. Mr M was named as the policyholder, owner, registered keeper and main driver when he bought the policy. He confirmed on the phone that he'd be the same for the new car in November 2013.

In March 2014, the car was stolen and damaged by fire and Mr M made a claim. After a few weeks Mr M complained to Zurich that it had taken too long to decide about his claim. Mr M said he'd had to pay £175 car hire costs because of the delay. On 17 April 2014 Zurich upheld Mr M's complaint, apologised and offered to pay the car hire costs if he would send them the hire invoice. Mr M sent a document, but Zurich didn't think it was a proper invoice, so it called the hire company. The car hire company said that it had no record of hiring a car to Mr M.

On 24 April 2014 Mr M was told that his claim was being suspended because it appeared that he wasn't the registered keeper of the car on the policy. He was asked to provide some extra information. Zurich chased Mr M for the extra information on 13 May 2014 and on 19 May 2014 it told him his policy was being cancelled from the beginning because he hadn't told them the named driver was the registered keeper of the car, and because he'd provided a '*fraudulent*' hire car invoice.

Our adjudicator didn't uphold Mr M's claim. Mr M disagrees so I've been asked to consider the matter.

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.

I intend to partly uphold Mr M's complaint. I'll now explain why.

hire car payment

Zurich offered to pay £175 if Mr M sent it a car hire invoice. It's clear to me that it was to cover costs Mr M had incurred while waiting for the claim decision. It wasn't compensation for the delays in general.

I've looked at the hire car invoice Mr M sent Zurich. It's headed with the name of a car hire company, shows Mr M as the customer, details a location and time for start and end of hire, and shows the price as £175. But it doesn't have a number of features I'd expect to see on an invoice, such as business address, contact details, a VAT Number and the details of the car hired. So I think that it was reasonable for Zurich to question if this was a valid invoice. Zurich's told me it contacted the named car hire company, who told Zurich that it had no record of hiring a car to Mr M for that period. Zurich told Mr M this and gave him the chance to provide more information, such as the car registration, for it to go back to the car hire company with. Mr M said he couldn't provide anything else, so Zurich hasn't paid the £175. I think Zurich acted fairly by checking with the car hire company and giving Mr M the chance to give it more information that might back up the invoice.

So I think it was reasonable for Zurich to require a car hire invoice before paying the £175. And I think it acted reasonably when it questioned if the document Mr M sent was a valid car hire invoice. It follows that I think Zurich's decision not to pay Mr M was reasonable and that this aspect of his

complaint should not succeed.

cancellation of policy

Zurich hasn't provided records of the ownership or registration of the car Mr M first insured on the policy in June 2013. So there's nothing to show me that he made a misrepresentation when he bought the policy.

Zurich's shown me that his son was the registered keeper of the new car with Driver and Vehicle Licensing Agency (DVLA). But when Mr M phoned Zurich on 2 November 2013 to change the car on his policy he was asked if he would be the owner, registered keeper and main driver for the new car and he said that he would be. Mr M has explained that his wife made a mistake when she registered the new car with DVLA.

But to change the registered keeper of a car with DVLA the application has to be signed by the new registered keeper. So Mr M's son, the named driver, would have had to be involved as well. And Mr M should have known that he hadn't signed the application to register the car. Given this, I think Mr M didn't take reasonable care when he told Zurich that he would be the registered keeper of the new car.

So I think Mr M did make a misrepresentation when he insured the second car. But Zurich hasn't shown Mr M made a misrepresentation when he bought the policy. So wasn't entitled to cancel his policy from the beginning. And because of this I think it should reinstate the policy.

provisional decision

For these reasons, I intend to uphold Mr M's complaint in part and I require Zurich Insurance PLC to withdraw the cancellation of the policy from June 2013 and any record of it by reinstating the policy.