

complaint

Mr R complains that Gefion Insurance A/S didn't pay him fully after he made a claim on his commercial motor vehicle insurance policy and his van was written-off. It later voided the policy. Mr R also says it didn't ensure the DVLA's records were changed. Any reference to Gefion in this decision includes its agents.

background

Mr R took the policy out in March 2017. He said he had a full UK licence with no endorsements. In May 2017 he had an accident. He told Gefion his van skidded on oil and collided with the central reservation on a motorway.

Gefion made numerous requests to Mr R for his driving licence details, plus a code it needed to carry out a DVLA check in order to validate the policy. Mr R said he'd sent the information to it several times. Later on, he said he no longer had the relevant details. In December 2017 he accepted payment for the van's salvage value, which was £248.50. Gefion said the pre-accident value wouldn't be paid unless the policy could be validated. That meant being able to check the details it had been asking Mr R for from the outset.

In February 2018 Mr R told Gefion that he'd received parking fines from the DVLA after the van was sold to a third party by the salvage agent. He thought that was Gefion's fault. Mr R said he thought the van had been scrapped. As it was sold on, he wanted full payment for it. Gefion said it still needed to validate the policy.

A year later, Mr R gave Gefion the DVLA code. Gefion found that when Mr R bought the policy he no longer had a UK driving licence. And there were licence endorsements in 2016 that he hadn't declared. Mr R said he wasn't aware of them - or that they happened after the 2017 accident. Gefion decided to void the policy (to treat it as though it had never existed).

As Gefion didn't agree to pay Mr R the van's full value - or accept liability for the parking fines - he complained to us. One of our investigators concluded that it had acted reasonably. He thought Mr R was reckless or had deliberately given Gefion the wrong details when he bought the policy. He said when Mr R agreed to the salvage payment, it wasn't based on the van being scrapped. He thought Mr R should have sent the van's V5 registration document to the DVLA, to avoid any confusion when the van was disposed of. He noted that the DVLA had since agreed to backdate its records, which he said would resolve the parking fines issue. But as Mr R didn't agree, the complaint was passed to me for review.

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 don't think it should be upheld. I think it was reasonable for Gefion to decide in 2019 to treat the policy as though it had never existed. It was only at that point that it knew all the facts.

Gefion doesn't have a copy of Mr R's online application for the policy. But I think it has shown that he would have been asked whether he had a full UK driving licence, plus the date he passed his test, which was recorded. It says he would also have been asked whether he'd incurred any driving-related convictions or endorsements in the last five years. The policy documents sent to Mr R show he was reminded that the onus was on him to ensure he had a valid licence and that all the details he's supplied were correct. They also

show that Gefion thought he had a valid licence with no driving offences on it, based on what he'd told it. Mr R didn't contact Gefion to correct any of the details it had recorded.

I don't think Mr R took reasonable care in answering the clear questions Gefion asked. Gefion has shown us underwriting criteria that confirm it wouldn't have offered him a policy had it known Mr R didn't have a valid UK driving licence. I think it was reasonable for it to say that Mr R acted recklessly or deliberately – rather than carelessly - in providing the wrong details to it. That means he knew or didn't care that he was misleading Gefion. In these circumstances, an insurer doesn't have to cover a claim or refund the policy premium.

Mr R suggested scrapping the van in December 2017 when he couldn't provide the licence details. Gefion paid him for the van's disposal. Gefion made it clear that no more would be paid *unless* it could validate the policy. I think it's clear from the emails at the time that it *didn't* say the van would be sold for scrap. The damage to it wasn't great enough for that. It seems Mr R assumed the van wouldn't be sold on. But I don't think Gefion can be blamed for his misunderstanding.

Mr R seems to think that Gefion benefited from the van's sale, at his expense, as its engineer valued the van at £3,550. But the file shows that Gefion paid a third party more than £8,800 for the damage the van did to property during the accident.

Mr R ceased to own the car once he agreed to its disposal and was paid for it. The V5 document should then have been returned to the DVLA for it to amend its details. As it wasn't, Mr R was still recorded as the van's registered keeper, which is why the DVLA contacted him about unpaid parking fines.

As Mr R had sold his car to Gefion, it was his legal duty as the seller to report it to the DVLA. Gefion asked Mr R to leave the V5 document in the car or send it to the salvage agent. The salvage agent says it didn't get it. Mr R thinks it did, but either way I think he had a duty to contact the DVLA. He says it wasn't necessary as the car was to be scrapped. Although he was mistaken about that, the same applies even in those circumstances. So I don't think Gefion is to blame for Mr R getting the parking tickets – or for a bailiff later trying to enforce payment. Gefion has since written a letter setting out the facts for Mr R. And once the DVLA's records are amended, the issue should be resolved.

I think it's clear that Mr R has been distressed by much of what happened. But I think it's fair to say that his actions caused it - and he didn't co-operate with Gefion, as he was obliged to do under the policy. As I don't think Mr R can show that Gefion did anything wrong, I'm not upholding his complaint.

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 R to accept or reject my decision before 2 January 2020.

Susan Ewins
ombudsman