

complaint

Mr K complains that Advantage Insurance Company Limited has rejected the claim he made following the total loss of his car because it says he failed to disclose a speeding conviction when he renewed the policy in 2014.

background

Mr K's car was written off in an accident in January 2015. When Advantage investigated his claim it discovered he'd received a SP50 fine in March 2014 that he hadn't mentioned when he renewed his policy in October 2014. Advantage said if it had known about the SP50 it wouldn't have provided cover. On that basis it decided to void the policy (treat it as if it hadn't been renewed) and reject the claim.

The adjudicator who investigated the complaint didn't think it should be upheld. He said the renewal documents and policy clearly explained the importance of telling Advantage about any convictions on renewal and the consequence of not doing so.

Mr K still felt that Advantage had acted unfairly and that what it should have done was increase the cost of the premium rather than voiding the policy. He asked for an ombudsman to review the case and so it has come to me.

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 agree with the adjudicator that the documents sent to Mr K on renewal are very clear about the importance of notifying Advantage of any change in circumstance at the time of renewal. Mr K has explained that he was very busy at the time the documents came through and only glanced briefly at them. Unfortunately this doesn't excuse him from the need to use reasonable care in considering the policy documents and following any instructions they contain.

The real issue in this case is whether the problem could and should have been sorted out on the basis that Mr K would pay an increased premium and still be entitled to cover. Advantage has sent us the underwriting criteria that it applied in this case. Its assessment of risk was based not just on the SP50 but on Mr K's recent driving history. This included two fault claims. Taking these into account, the SP50 would have tipped the balance. I'm satisfied that if Mr K had disclosed the SP50 when the policy came up for renewal, Advantage would have refused to renew it.

I have some sympathy for Mr K. It may well be that, having failed to check the renewal documents or take on board the importance of giving full disclosure, he didn't realise how serious the consequences of not telling Advantage about the SP50 would be. But I can find no error on the part of Advantage.

my final decision

I do not uphold the complaint.

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

Melanie McDonald
ombudsman