

complaint

Mr K complains that Liverpool Victoria Insurance Company Limited wrongly cancelled his motor insurance policy.

background

Mr K got a quote from LV after using a comparison website. He couldn't find the type of van he planned to buy in the selection on the comparison website, so he selected a similar van. In response to a question about no claims bonus, he said he had 20 years no claims.

Mr K later phoned LV and gave full details of the van he was about to buy. The person he spoke with said that she could transfer the earlier quote onto her system and add in the vehicle registration. Mr K phoned LV again and took out the policy.

LV wrote to Mr K and asked for various documents, including proof of his no claims bonus. Mr K said he didn't have proof of his no claims bonus. LV gave Mr K notice that it would cancel his policy and, later, confirmation that it had done so.

Mr K says the police seized his van and he became aware that he didn't have valid motor insurance in place. He took out a new policy with LV for a higher premium.

Mr K said that when he got an on-line quote he must have entered 'nine' rather than 'zero' in response to the question about no claims bonus. He says that he didn't take up that quote but later asked for a quote for a different vehicle. Mr K says that LV made assumptions and that he told it that he didn't have any no claims bonus. Mr K says that he sent LV documentation but it wasn't enough and it cancelled his policy when it could have simply altered its terms instead. He says that LV didn't tell him that it was going to cancel his policy. Mr K wants LV to make his cover continuous.

The adjudicator didn't think that Mr K's complaint could succeed. She said that Mr K had said that he had 20 years no claims bonus when he answered questions on the comparison website. When he phoned LV, it said that the earlier quote would be transferred, which meant that the information he gave about his no claims bonus was also transferred. The adjudicator said that LV's maximum no claims bonus is nine years, so it applied that to Mr K's policy. She said that the documents LV sent to Mr K set out the discount he'd received. The adjudicator said that LV had given Mr K appropriate notice and confirmation of cancellation of his policy, so she didn't think it had done anything wrong.

Mr K didn't agree with the adjudicator's view. He didn't think that there was clear offer and acceptance of the terms that would have included the on-line quote. He also queried whether LV had refunded the premium.

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 think that LV was at fault when it cancelled Mr K's policy. I shall now explain why I've come to that view.

When LV decided whether and on what terms to offer Mr K a policy, it relied on the information he gave in answer to questions on the comparison website about his no claims bonus. Mr K said incorrectly that he had 20 years no claims bonus, so LV applied its maximum discount of nine years. I've listened to the phone call between Mr K and LV when LV said that it would transfer the earlier quote onto its system and Mr K agreed to that.

After Mr K bought the policy, LV sent him documents that set out the substantial discount it had applied to his premium. It also sent requests and reminders for proof of his no claims bonus. As Mr K didn't provide the proof of his no claims bonus, LV gave him appropriate notice and confirmation of cancellation of his policy. It was entitled to do that under the terms of the policy and I don't think that it acted unfairly here in doing so. Mr K says that LV could have altered the terms of his policy, rather than cancelled it. LV wasn't obliged to do that.

Mr K has queried whether LV refunded his premium. That wasn't part of his original complaint, so LV hasn't had an opportunity to respond to it. LV said in its confirmation of cancellation that it made a refund to the monthly payment plan Mr K had with it. If Mr K isn't happy with that, he should take the matter up with LV in the first instance.

I note that Mr K wants LV to send him copies of the phone calls. LV isn't content to do that at present, as it wants to verify his identity and address before doing so. I think that's reasonable as Mr K has changed address and corresponds with us via e-mail, so LV wants to be sure who will receive the recordings, especially as they contain payment details. If Mr K wishes to pursue this, he should call LV.

my final decision

I appreciate that my decision will disappoint Mr K but for the reasons set out 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 K to accept or reject my decision before 29 December 2015.

Louise Povey
ombudsman