



complaint

Mrs K complains that One Insurance Limited rejected a claim under her motor insurance policy for damage to her vehicle, because the vehicle did not have a valid MOT test certificate.

background

Mrs K was involved in a road traffic collision in November 2013, when a third party vehicle collided with the rear of her vehicle. Mrs K reported the claim to One Insurance and it arranged for the car to be moved to its free storage agents, while it began to administer a total loss claim under the terms of the motor insurance policy.

When One Insurance received the documents it required to finalise payment of the claim, it became apparent that the car did not have a valid MOT certificate. One Insurance therefore rejected the claim and considered the policy had been invalidated, as it said the car was not legally allowed on the road at the time of the incident. It cited its policy terms which state:

“You must have a valid:

Department for transport test certificate (MOT) for your car, if one is needed by law: and Vehicle tax disc unless your car has been declared off the road in accordance with the statutory off road notification.”

Mrs K has said that she does not dispute that there was no valid MOT for her vehicle. She also says that she accepts that this is a breach of the policy condition. She says however that the breach is not relevant to the loss and therefore should not be used to reject the claim. She has also complained that her car was taken from her home city to another location without her knowledge. She has said that she remains dissatisfied by the standard of claims handling and customer service she has experienced.

Our adjudicator assessed the complaint and recommended that the claim should be paid. He referred One Insurance’s attention to ICOBS 8.1.2. This states that *“A rejection of a consumer policyholder’s claim is unreasonable... for breach of warranty or condition unless the circumstances of the claim are connected to the breach”*.

One Insurance disagrees with the adjudicator’s opinion and the case has therefore been passed to me to decide.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

One Insurance says that Mrs K’s car was illegally on the road, as it required an MOT, and I would stress that I do not condone any failure to comply with relevant legal requirements.

However, with respect to the operation of the motor insurance policy, I have seen nothing to show that the condition of Mrs K’s car made it unroadworthy or contributed in any way to the accident (or that it would not have passed an MOT had it been tested). It is acknowledged

that Mrs K was not at fault for the accident, given that the third party car hit her vehicle in the rear. I am therefore satisfied that the fact the vehicle had no MOT is not material to the circumstances of the accident. That means I do not consider it fair or reasonable for One Insurance to rely on this strict breach of the policy condition in order to decline the claim.

It is also worth noting that the lack of a valid MOT may have an impact on the vehicle's market value, since without an MOT a vehicle is unlikely to achieve the same selling price as one that can be legally driven on a road at the point of sale. I understand that Mrs K has acknowledged this point.

I appreciate Mrs K's other concerns and her view of the service she received, which may have been influenced by the rejection of the claim. However, I consider One Insurance advised its position to her in a reasonable period of time under the circumstances. I am also not persuaded that it was unreasonable for One Insurance to have moved the car from free storage as it did, although I acknowledge that there appears to have been some misunderstanding or lack of communication about this; and I consider it would have been appropriate for One Insurance to have specifically confirmed before the move occurred.

my final decision

For the reasons above, it is my final decision that I uphold this complaint.

I require One Insurance Limited to pay the claim in accordance with the remaining terms and conditions of the policy. It should also add interest to the settlement amount at the rate of 8% simple per annum (less tax if properly deductible), calculated from the date of claim until the date of settlement.

Helen Moye
ombudsman