

complaint

Mr P complains that Tradewise Insurance Services Ltd wrongly cancelled his motor trade insurance policy and charged him too much for the cover it gave him.

background

Mr P's policy started on 20 October 2017. It was set up through a broker. Shortly afterwards, Tradewise asked Mr P to provide some documents to validate the policy. They included his driving licence and proof of no claims discount. Mr P did so.

Tradewise also wanted proof that he had separate insurance for any vehicles he used in another business he ran. Mr P initially said he used his private car for the other business. But Tradewise noted that the policy for the car didn't include business use. Mr P then said he didn't use a vehicle for the other business. He said he used public transport or walked. Tradewise queried how that was possible. It gave him seven days' notice of cancellation. When it didn't hear from him within that time, Tradewise cancelled the policy.

Our investigator thought Tradewise had acted reasonably. She said it wanted to ensure the motor trade policy would be used in line with policy terms and conditions. That meant for motor trading only. In her view, Tradewise was entitled to ask about transport for the other business's activities. They included cleaning and handyman services. Mr P said the handyman role was his main occupation. The investigator thought he could have given Tradewise some evidence about the transport arrangements for that he'd claimed to have.

Mr P didn't see why Tradewise needed to know about his other business. But he thought he'd provided the details it had asked for anyway. He said some of the tasks carried out by the other business at one point (such as freight transport) had ceased. As there was no agreement, 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 was unreasonable for Tradewise to query whether Mr P used vehicles in his other business – and if not, how he carried it out. The nature of the business's activities means that Mr P and its other director have to travel to various locations. I think it's more usual than not for those doing cleaning and handyman work to have their own transport. Mr P's car isn't insured for business use. So it was fair for Tradewise to have concerns.

I agree with the investigator that Mr P could have done more to show Tradewise how he managed the activities for the other business. He said at the start that he used his own car, and then said that wasn't the case. He could have given Tradewise something to support what he'd said about using public transport or walking. Or he could have added business use to his car. As it seems Mr P didn't do anything to deal with Tradewise's concerns, I think it was reasonable for it not to be satisfied with the details he'd provided.

Tradewise says it hasn't recorded the cancellation anywhere. But Mr P still has to tell other insurers or brokers about it if he's asked whether he's had a policy cancelled. Otherwise he'd be holding back information that they have a right to expect will be declared.

Mr P thinks he was charged too much for the time he had on cover. Tradewise sets 'short-term' cancellation rates. That meant he had to pay more than would otherwise have been due for the cover he'd had. Mr P says he wasn't told that would happen. As he bought the policy through a broker, this issue will be reviewed as part of a separate complaint.

I don't think Tradewise acted unreasonably in cancelling Mr P's policy, so I can't uphold 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 P to accept or reject my decision before 14 September 2018.

Susan Ewins
ombudsman