

complaint

Mr W has complained that EUI Limited has asked for additional backdated premiums for his motor insurance policy.

background

Mr W is the policyholder but it is his father that is making the complaint on his behalf. For the purposes of this complaint I'll just refer to Mr W, although in reality the representations have been made by his father.

Mr W took out the car insurance policy in March 2012 over the internet. He was asked if there'd been *'any accidents, incidents, thefts, losses or claims (fault or non-fault) that you or any driver on your policy have made...'* Mr W answered that there had been none.

Mr W rang EUI to arrange renewal of the policy in March 2013 and March 2014. On each occasion he was asked the same question again and his answer was still no.

In February 2015, EUI ran some routine checks and found out that Mr W's mother, who was a named driver on the policy, had been involved in a minor accident in January 2013. EUI wrote to Mr W to explain that it had found a discrepancy in the information he'd given during the 2013 and 2014 renewals. As a result of not providing information about his mother's accident, he'd received a cheaper quote for these two years than he should have. EUI was asking for additional premiums of £303.57 (£223.34 extra for the 2013 renewal and £110.23 for the 2014 renewal).

Our adjudicator didn't uphold Mr W's complaint. She thought that it was reasonable for EUI to request the additional premiums. Mr W didn't agree and so the complaint has been passed to me for a decision.

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've listened to the renewal phone calls from 2013 and 2014. The advisor asks the same question that was asked at inception. Mr W answers 'no' on both occasions. I think the question was a clear one and that Mr W understood what he was being asked.

Mr W has said that his mother's accident was extremely minor. So much so that the third party involved didn't end up making a claim against his mother's policy. Mrs W was told by her insurer that this accident would be disregarded for the purposes of her no claims discount. She was also told that the incident didn't need to be reported.

I've seen a trail of emails between Mrs W and her insurer relating to the accident in January 2013. Mrs W chases her insurer on 10 March 2013 to try and find out if there was any damage to the other party's car and whether they were making a claim. On the 12 April 2013 the insurer confirms that the third party won't be making a claim as the damage to their vehicle was minimal. So Mrs W's no claims bonus wouldn't be affected as no costs had been incurred.

Mr W rang EUI to do the first renewal on 7 March 2013. So I don't think he would have known at this time what was happening in relation to his mother's accident. It's not until over a month later that Mrs W's insurer confirms that there'll be no claim against her policy.

Mrs W's insurer does mention that her no claims bonus won't be affected. But it doesn't say in these emails that the incident doesn't need to be reported. It's possible her insurer told her this over the phone. But I don't think they would have been in a position to do this before 7 March 2013 when Mr W rang up EUI to renew his policy. Even if this insurer did tell them this, I don't think that EUI can be held responsible for the actions of another insurer.

His mother's accident hadn't happened that long before the 2013 renewal, and still wasn't settled. I think it would have been reasonable to expect Mr W to mention it, at least to ask if it was relevant or not. So I don't think that Mr W took reasonable care when answering the question.

Mr W says that EUI didn't follow its own stated procedures. Because it didn't check its systems when renewing the policy to ensure that the correct answers were being given. This may be the case, but I think that EUI should be able to rely on policyholders giving correct answers to questions. If it had checked its systems at the time, the outcome would have been that a higher premium was charged, which is only what EUI is asking for now.

I don't think EUI should have to honour the lower premium because it didn't carry out cross checks against the named drivers at the point of renewal. Because the main onus was on Mr W to answer any questions correctly.

It follows that I don't uphold Mr W's complaint. I think that EUI is entitled to re-coup the additional premiums.

my final decision

My decision is that I do not uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 13 November 2015.

Carole Clark
ombudsman