

complaint

Mr W complains that One Insurance Limited has voided his motor insurance policy and declined to deal with a claim under it.

background

Mr W sought to take out a motor insurance policy online and he was asked who was the owner and registered keeper of the vehicle. He selected the answer “you” from the drop down list provided to the question asked. Mr W subsequently made a claim on the policy but One Insurance voided his policy and declined to deal with the claim on the ground of non disclosure. It said the vehicle was registered to a limited company and had it been told this at the outset it would not have provided cover.

Mr W is unhappy about this. He says although he was chairman of the limited company, he paid for the vehicle and it was to be used as his personal vehicle. As such he answered the question asked of him correctly given the way “owner” and “registered keeper” were set out and defined on the website.

Our adjudicator recommended that the complaint should be upheld. In summary he considered that:

- Mr W was asked “*Are you the owner and registered keeper of the car?*” and the website said “*What’s the difference? The owner is usually on the log book. The keeper is the person using it most.*”
- Mr W was then asked to select who was the owner and registered keeper of the vehicle from a drop down list, using the following descriptions:
 - “*Car Owner – A registration (V5) document is not proof of ownership. The owner of the car is the person who put up the money for the car or was given it as a gift. This is particularly true with a company car which is owned by the company, however the registration document should show the registered keeper*”
 - “*Registered Keeper – The registered keeper is the person responsible for the vehicle so far as official communications from the police, DVLA etc. and should be the person who is actually using or keeping the vehicle*”.
- The vehicle’s log book said that it was not proof of ownership but it shows who is responsible for registering and taxing the vehicle. Mr W had put up the money for the vehicle and was its sole user. He was also responsible for official communications with the police and DVLA. The limited company also had no employees. The application did not make clear that vehicles registered to a limited company would not be covered. As such it was understandable why Mr W had selected the answer “you” in these circumstances rather than “*company director*” so as not to confuse the vehicle with a company car owned and used by others apart from him.
- Mr W had taken reasonable care when he selected the answer ‘you’ to the question asked about the registered keeper and owner.

- Consequently he cannot conclude that One Insurance acted fairly and reasonably by cancelling Mr W's insurance.
- One Insurance should therefore reinstate Mr W's insurance and assess his claim retrospectively in accordance with the policy terms and conditions. If Mr W has already received a refund of his premiums this sum should be returned before the policy is reinstated.

One Insurance does not agree. In summary it says that Mr W was asked a clear and concise question during his online policy application as to who was the registered keeper and legal owner of the vehicle. As this was a private motor insurance policy Mr W had to have a financial interest in the vehicle. But it was the limited company which owned it and so he did not have a personal financial interest in it. One Insurance does not offer insurance cover for vehicles which are owned by anyone other than the policy holder as a private entity.

my findings

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

Having done so, I agree with the conclusions reached by our adjudicator for broadly the reasons given.

Furthermore, One Insurance says it asked a clear and concise question about the owner and registered keeper of the vehicle. That may well have been the case when the question is considered in isolation but when it is read in conjunction with the additional information and explanations given, I consider answering it becomes more complicated and the issues less clear.

Given the information provided and explanations of terms like "*registered keeper*" and "*car owner*" I find on balance that it was more likely than not that Mr W would reasonably conclude in his particular circumstances that answering "*you*" to the question asked of him was a correct and appropriate response. One Insurance also did not make it clear to Mr W during the course of the application that it would not insure a vehicle owned by a limited company.

In all the circumstances I am not persuaded on balance that Mr W failed to take adequate care when completing the application or would have been aware that he had failed adequately or correctly to answer the question he was asked about the registered keeper and legal owner of the vehicle.

Consequently, I am not persuaded that it was fair or reasonable for One Insurance to void Mr W's policy and/or decline to deal with his claim as it did. I find that, subject to payment of any refunded premium, it is fair and reasonable for One Insurance to reinstate Mr W's policy and assess his claim retrospectively.

Overall, I therefore see no compelling reason to change the proposed outcome in this case.

my final decision

My final decision is that I uphold this complaint and I order One Insurance Limited to reinstate Mr W's insurance policy and assess his claim retrospectively in accordance with

the policy terms and conditions. If Mr W has already received a refund of his premiums this sum should be returned before the policy is reinstated.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 20 January 2015.

Stephen Cooper
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