

complaint

Mr T complains that Accredited Insurance (Europe) Ltd has declined to pay his claim on his commercial motor insurance policy following the theft of his van. He wants it to pay the claim.

background

Mr T's van was stolen and he made a claim. But Accredited Insurance then found that he wasn't the van's registered keeper. The van's registration certificate, the V5, was in his father's name. It said it wouldn't have offered cover if it had known this. So it cancelled the policy from the start (voided it), declined the claim and refunded Mr T's premiums. But Mr T was unhappy with this.

Our investigator didn't recommend that the complaint should be upheld. She thought Mr T had been asked a clear question about the van's registered keeper when he took out the policy. She thought he'd answered this question incorrectly. She thought Accredited Insurance wouldn't have offered cover if he'd answered the question correctly. So she thought it was entitled to void the policy and decline the claim.

Mr T replied that he was the only user, the insured driver and owner of the van. He said he'd answered the question truthfully as he didn't know his father's name was on the V5 certificate. He said he intended to change the V5 into his name. He thought the question asked was unclear. He didn't think the registered keeper would have an impact on insurance. And he asked for his complaint to be reviewed by an ombudsman, so it's come to me for a final 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.

Mr T said he was the van's only user and its owner as he had a receipt for its purchase. He said he wasn't asked a clear question about the van's registered keeper. And he thought this shouldn't make any difference to his claim.

As the investigator has explained, where a complaint arises from misrepresentation of information important to an insurer, we take into account the relevant legislation. We look to see that it asked a clear question when the policy was taken out. We check that the information given would affect whether a policy was offered. And we check whether the informant has acted carelessly or deliberately in making the misrepresentation.

Mr T took out his policy through an online comparison site. He was then asked "Are you (or will you be) the registered keeper and legal owner?" He was advised that if he was unsure about who was the registered keeper, he should check the log book (V5). He was told this wasn't necessarily the same as the legal owner. Mr T answered the question "yes".

I think this is a common question asked by insurers. And I think it was clear as it explained what Mr T should check to provide the correct answer. The "will you be" phrase refers to consumers intending to buy a vehicle. And the log book has Mr T's father as the registered keeper of the van.

I think there are some contradictions in what Mr T has told us about the ownership of the van. Mr T told us that his father had bought the van on his behalf and he'd later bought the van from him, paying cash. But the receipt that Mr T has provided has him as buying the van from its previous owner. Mr T hasn't been able to provide any evidence, such as a withdrawal from his account, to show that he'd paid his father for the van. Mr T didn't insure the van until a month after the date of the purchase receipt. He told us that he'd not got round to changing the V5 but he also told us that he didn't know his father's name was on the V5.

But, nevertheless, Mr T had answered that he was the van's registered keeper and legal owner. But his father's name was on the V5 as the registered keeper when the van was stolen three months later.

Accredited Insurance has shown us evidence from its underwriting guide that it wouldn't have offered cover if it had known that Mr T wasn't the van's registered keeper. Mr T has asked how this is relevant to his insurance. But I think it's for insurers to decide what risks they are prepared to cover. I think Accredited Insurance asked Mr T a clear question about this and so I think it was for him to take reasonable care in answering it correctly. And I don't think Mr T did this.

So I think that, under the relevant legislation, Accredited Insurance was entitled to void the policy as it wouldn't have offered cover if Mr T had answered the question correctly. And I think it was then entitled to decline the claim as no cover was in place. Accredited Insurance has refunded Mr T's premiums, which I think is fair and reasonable in the circumstances. I don't require it to do anything further.

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 T to accept or reject my decision before 4 November 2019.

Phillip Berechree
ombudsman