

complaint

Mr E has complained that Gefion Insurance A/S (Gefion) unfairly cancelled his motor trade insurance policy.

All references to Gefion include its agents.

background

I issued a provisional decision on this complaint in December 2018. An extract from that decision follows:

“Mr E had a motor trade policy with Gefion where he insured a number of cars some of which he owned and others that he planned to sell.

In March 2018 he tried to add a new car on his motor insurer’s database list (MID) but wasn’t able to. Gefion asked for his purchase receipt but he wasn’t able to provide it as he said the car was a gift from his brother.

Gefion then asked to see the full vehicle registration documents (V5Cs) for all the cars on Mr E’s MID and also purchase receipts. It also said if any of those vehicles had been sold it would still need purchase as well as sales receipts.

Mr E said he found out about this in May 2018 when he received a seven day cancellation letter from Gefion. He said he provided the documents requested but his policy was still cancelled.

Mr E complained and said he wanted the policy reinstated and for the cancellation to be removed from his record. Gefion rejected his complaint. Among other things it said that:

- it only received the first page of some of the V5Cs and only some of the purchase receipts.*
- it wanted to know why one new keeper’s slips had been typed up when the rest were handwritten.*
- Mr E’s brother wasn’t the registered keeper of the car that was gifted to Mr E.*
- it had concerns about Mr E insuring family members’ cars on his policy and that family members were driving his cars.*

Mr E said he didn’t routinely get the full V5Cs or transfer vehicles into his name so he could keep his costs down. He said he’d decided not to keep the car that had been gifted to him because he couldn’t add it to the MID.

Mr E then complained to us but our investigator didn’t uphold his complaint. He said Gefion was entitled to ask for additional documentation and as Mr E hadn’t provided those in full it was entitled to cancel the policy.

Mr E didn’t agree and asked for an ombudsman’s decision.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've decided not to uphold it.

Our investigator had originally set our file up against the broker instead of Gefion. This is because it was the broker that was asking Mr E for the additional documentation. But I think the broker was merely acting as a "go between" in relation to obtaining the documents from Mr E. I think anything it did in relation to the cancellation it did as Gefion's agent because the decision to cancel the policy was ultimately Gefion's. As this complaint is about the cancellation, this decision is against Gefion. Our investigator informed both parties of this change before I went ahead with this decision.

I note Mr E may also be feeling let down by his broker's communication with him. If so, he will have to complain separately to it about this.

Mr E's policy says that in addition to monitoring the vehicles on the MID, Gefion will also require satisfactory evidence of trading. It says it will take steps to cancel the policy by giving seven days' notice if it suspects trading activity which isn't of an acceptable standard. Unless agreed otherwise, it will require evidence of trading activity such as vehicle purchase and sales receipts and auction house invoices. The policy also entitles Gefion to search and update various databases and share some information with other agencies or insurers for a number of reasons including validation of the policy.

Under the terms of his policy Mr E is required to update the motor insurer's database (MID) with details of cars he owns or is intending to sell or repair provided that he's had them for more than 14 days. And he is also required to remove cars that have been sold from the MID.

After Mr E wasn't able to add a new car on his MID in March 2018, Gefion said it had some concerns and asked to see the purchase receipt via Mr E's broker. I think this was reasonable and also in accordance with the policy. Mr E wasn't able to provide this as he said the car was a gift.

On 26 and 27 March 2018 Gefion asked the broker for up to date documentation including full V5Cs and purchase/sales invoices in relation to each of the eight cars Mr E had on his MID at that time. It said if it didn't receive this information within seven days, the policy would be subject to cancellation. Again I think this was in accordance with the policy terms so I don't think Gefion was acting unreasonably. And I note it didn't cancel the policy at that stage.

From what I've seen, Gefion seems to have chased the broker again (at some point in May 2018) and said it hadn't received the information it had asked for. It also asked why the new keeper's slip for the car that was gifted to Mr E had been typed up. It said all the others were handwritten. It said again that it needed the information it had previously requested within seven days or the policy would be subject to cancellation.

The seven day notice of cancellation was issued on 22 May 2018. Mr E called his broker the following day. The broker's notes show it spoke to Gefion and then told Mr E that the documents were required in order to validate the policy.

From the broker's notes it seems Mr E sent some documents in and called the broker on 29 May 2018. The broker appears to have called Gefion who said what had been provided was still not enough. It said only the front page was provided for two of the V5Cs and, though Mr E told the broker he could provide the full V5Cs, he also said he couldn't provide purchase receipts for those cars. The broker contacted Gefion who said it was proceeding with the cancellation.

From what I've seen, Mr E provided receipts for some of the cars on the MID but not all. I can't see that he provided purchase receipts for two of the vehicles he owned himself other than the one that was gifted to him. And though he said he could provide the full V5Cs for those two vehicles it's not clear why he didn't. And he also only seems to have provided a blank new keeper's slip for a third vehicle he owned. I also can't see that Mr E explained why one of the new keeper's slips had been typed up though I note that was for the car that he didn't end up insuring on his policy. Based on this evidence, I think Gefion was acting within the policy terms when it cancelled the policy.

Mr E said he didn't have enough notice to provide the documentation that was required. But as I said above, Gefion seems to have warned the policy would be cancelled in March and May before the 22 May 2018 letter. So I think it gave enough notice. Also Mr E said he didn't have all the receipts or the V5Cs so, based on the current evidence, even if he had more time it seems unlikely that he would've been able to provide this evidence in any event.

For the reasons above, I think Gefion acted reasonably both in relation to the requests it made for further documentation and also in relation to the cancellation.

I understand that Mr E will be disappointed with my decision and I note he said he has found it hard to find new insurance. But for the reasons I gave above I don't think Gefion acted unfairly or unreasonably on this occasion. I also note it issued Mr E with a pro-rata refund of his premium and I think this is reasonable.

my provisional decision

For the reasons above, I'm not considering upholding this complaint."

developments

The deadline to respond to my provisional decision was the 11 January 2019. Gefion hasn't responded to my provisional decision.

Mr E's response included the following comments:

- His complaint is about the broker so he's not happy my decision is against Gefion.
- He is unhappy with the broker because it delayed asking him to provide information Gefion required from him.
- Had he been asked for the V5Cs in time he would've been able to provide them within two to three weeks.

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 decided to proceed with my final decision despite the fact that Gefion hasn't responded to it. As I said above the deadline to respond to my provisional decision expired on the 11 January 2019. Also I've decided not to change the findings I made in my provisional decision and as I'm not upholding this complaint I don't think proceeding without Gefion's comments would cause it any prejudice.

Mr E says his complaint is against the broker. As I said in my provisional decision when Mr E complained to us he said he was unhappy about the decision to cancel his policy. This was Gefion's responsibility not the broker's. But as I also said in my provisional decision if Mr E is unhappy with the broker's communication with him- he says it delayed asking him for certain information- this is something he'll have to complain to the broker about separately.

Mr E says he would've been able to provide the V5Cs within two to three weeks if he was allowed more time to obtain them. As I said in my provisional decision Gefion seems to have warned the policy would be cancelled in March and May 2018 before proceeding to cancel it at the end of May 2018. So I think it gave enough notice. And also it wasn't only the V5Cs that Mr E had failed to provide but also some of the purchase receipts. In any event as I said above if Mr E believes the broker delayed asking him for information Gefion needed in order to validate his policy this is something he'll have to complain to the broker about.

my final decision

For the reasons above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 28 February 2019.

Anastasia Serdari
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