

complaint

Mr Q complains that Southern Rock Insurance Company Limited should reinstate his motor insurance policy so that he was covered at the time of an accident. Or it should at least give him his money back, he says.

background

Mr Q filled in an online form and then called a broker to take out the policy. Mr Q was involved in a car accident with a third party who considered him at fault. Mr Q called the policy administrator and said that his father was in fact the registered owner and keeper of the vehicle. Southern Rock decided to treat the policy as void. The broker said that it would retain the premium, because of the fault accident.

The adjudicator initially recommended that the complaint should be upheld in part. She concluded that Southern Rock had not acted unreasonably by voiding the policy. She initially recommended that Southern Rock should refund Mr Q's premium with simple interest at 8% from the date of the non-disclosure. Southern Rock's policy administrator said that it had paid about £7,700 for the third party's claim. The adjudicator concluded that Southern Rock had made a reasonable offer to deduct Mr Q's premium from the third party costs it would be asking him to reimburse.

Mr Q disagrees with the adjudicator's opinion.

my findings

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

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

From the online form, I am satisfied that Southern Rock asked Mr Q clear questions in relation to the vehicle:

"Who is the Legal Owner?"

And:

"Who is the Registered Keeper?"

Mr Q's answer to both questions was:

'Proposer/Policyholder.'

From the call recording, I am satisfied that the broker asked Mr Q whether the details he entered online were correct. He said that they were. Therefore I do not accept Mr Q's recollection that the broker discarded the online form and completed a new and different form.

The broker also warned Mr Q that:

"If you did not give full and accurate information the policy may become rendered invalid and we may refuse to deal with any claim that you might make".

I do not consider that Mr Q's answers were correct. And – while ownership within a family may be open to interpretation - the registered keeper is conclusively stated on the vehicle registration document (V5). So I consider that Mr Q's answers were careless.

Southern Rock has provided its underwriting criteria. They state that - if a '*Father*' is stated as the owner of the proposed vehicle – the insurer will not offer cover and will decline a policy. So I am satisfied that – if Mr Q had given the correct information that his father was the owner and registered keeper - Southern Rock would not have provided cover.

Therefore I do not consider that Southern Rock acted unfairly or unreasonably by treating the policy as being so undermined by mis-statement that it was void from the start. I do not consider it unreasonable that it declined to meet Mr Q's claim for loss and damage arising out of the accident.

Nevertheless Southern Rock decided - In view of its obligations under the Road Traffic Act - to deal with the third party's claim. I have no reason to doubt its statement – after the adjudicator's opinion last summer - that it had paid out about £7,700 and had a reserve to pay out more.

Therefore I do not conclude that it would be fair and reasonable for me to order Southern Rock to do any more than its offer – made after the adjudicator's opinion - to deduct Mr Q's premium from the third party costs it will be asking him to reimburse. I do not consider that it would be fair to order it to pay interest or to make any further redress to Mr Q.

my final decision

For the reasons I have explained, my decision is that Southern Rock Insurance Company Limited should deduct Mr Q's premium from the third party costs it will be asking him to reimburse.

Christopher Gilbert
ombudsman