

complaint

Mr E complains that Zenith Insurance plc voided his motor insurance policy and didn't cover a claim he made on it.

background

Mr E's son, "Mr E2", was a named driver on the policy and was driving the car when it collided with another vehicle. The car was written off and valued at £3,200. Zenith sent an investigator to interview Mr E2. Later it voided the policy. It thought Mr E2 was likely to be the owner of the car, not Mr E. It said it wouldn't have offered any cover had it known that.

Our adjudicator didn't think it was fair for Zenith to void the policy. Mr E2 told the investigator he owned the car, but she thought that was just an error, as he *used* to own it. Mr E said he'd bought it from Mr E2 over six months before the accident and was also its registered keeper and main user. Zenith disagreed it had acted unreasonably. It thought there were grounds to believe the policy was 'fronted' so Mr E2 would benefit from the lower premium resulting from Mr E's nine-year no claims discount.

The complaint was passed to me for review. I thought it shouldn't be upheld because Zenith had reasonable grounds to believe Mr E wasn't the car's owner or main driver.

Mr E2 had bought the car in August 2013 and took out a finance agreement on it. Four months later he was disqualified from driving. The ban ran until November 2014 and the car was declared 'off road' during that time. Around the time Mr E2's driving ban ended, Mr E registered the car in his own name and reinsured it with Zenith. He said he'd bought it from Mr E2, who was added to the new policy as a named driver. Mr E said he'd paid Mr E2 for it in cash, but there was no evidence of a bank withdrawal or deposit at the time. The finance agreement continued in Mr E2's name. I thought Mr E couldn't show he owned the car.

When Mr E2 was interviewed, he said *he* was the car's owner, but that Mr E was the main driver. He then said that he and Mr E split the use of the vehicle 50:50. Mr E2 also *appeared* to say *he* used the car for commuting to work (and the accident happened when he was doing that). Mr E later said he used a van for work himself. Mr E said Mr E2 wasn't able to return to work because he had no transport after the accident. I thought that showed he would have otherwise have used the written-off car and was likely to be its main driver.

The log book / V5 registration don't show that Mr E owned the car. And Mr E2's statements to the investigator cast further doubt on the issue. When asked, Mr E couldn't provide any evidence that he'd bought the car from Mr E2. I thought it was reasonable for Zenith to believe Mr E2 was probably the car's main driver as well as its owner. Zenith based its offer of insurance on the fact that Mr E owned the car. It wouldn't have offered cover had it thought otherwise, so I didn't think it acted unreasonably in voiding the policy. Normally the premium would be returned to Mr E, but as Zenith had incurred costs because of the accident, I thought it was fair for it to offset the premium against those.

I asked the parties to comment on my provisional findings. Zenith accepted the decision. Mr E said it wasn't accurate. He said it was based on speculation and that his family doesn't lie. But he said he had no paperwork to show otherwise.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As neither of the parties has provided any additional information for me to consider, I don't think there's any reason to change the findings in my provisional decision.

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 E to accept or reject my decision before 18 April 2016.

Susan Ewins
ombudsman