

complaint

Mr A complains that AXA Insurance UK plc voided his motor insurance policy after he reported that his van had been stolen.

background

Mr A applied online for a quote for motor insurance through a broker. He took out a policy provided by AXA, with his son as a named driver of the van.

When the van was then stolen, Mr A made a claim for its loss through his policy with AXA. However, AXA found that Mr A's son was the registered keeper of the van, rather than Mr A. AXA said that it had based its pricing of the motor insurance policy on the basis that Mr A was the registered keeper of the van. It said that Mr A had mis-represented this fact and decided to void the insurance policy from it starting.

Mr A complained and said that he had given the broker accurate information when he had applied for the insurance. He said he had originally bought the van but had decided to register it in his son's name for personal reasons. He said his son was on the motor insurance policy as well.

AXA said that the van registration documents did not indicate that Mr A had ever been registered keeper of it, as he had said when he had applied for the insurance. It maintained its decision to void the policy.

Our adjudicator did not recommend that the complaint should be upheld. She said that Mr A had said that he was the owner and registered keeper of the van, and that he would be its main driver, when he applied for insurance with AXA. AXA had based its decision to provide insurance on this information, and said that it would not have been able to offer insurance cover if it had known that Mr A was not the registered keeper. The adjudicator concluded that AXA was entitled to declare the policy as void and refund the premiums paid.

Mr A did not accept the adjudicator's findings. He said that he had taken out the policy in good faith, and had explained the full circumstances of the van to the broker when he applied for it.

my findings

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

Mr A initially applied for an online quote for his motor insurance. He then telephoned the broker to add his son to the quote as a named driver.

I have listened carefully to the recording of this telephone call. Mr A was asked who was the owner and registered keeper of the car, and who would be its main user, and he said himself. Although he described how he and his son intended on using the van, in this particular call he made no mention that the car was registered to his son.

I appreciate that Mr A had said that he bought the van but decided to register it in his son's name. I also understand the personal reasons he has given for doing this. However, the van's registration documents show only that the car was registered to Mr A's son. It does not show that the registration was transferred to Mr A from his son, or that the van had previously been registered to Mr A.

AXA based its decision to insure Mr A on the basis of the information that he gave when applying for it. It has told us that it would not have offered Mr A the insurance if it had known that the van was registered to his son.

So, because this information was incorrect and was a significant consideration for AXA when agreeing to offer the insurance and it would not have offered it if it had known the actual circumstances, I do not find that it acted unreasonably in voiding the policy and declining to deal with Mr A's claim. This voidance means that the insurance policy would be treated as if it had not existed and therefore Mr A's claim for the theft of the van would not be covered.

I understand that Mr A has not yet received the refund of the premiums he paid for the policy. AXA has now confirmed that it will refund the premiums Mr A paid towards the policy together with interest at an annual rate of 8% simple from the date they were paid, to the date they are refunded. Therefore I do not consider that it needs to do anything further.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr A to accept or reject my decision before 2 March 2015.

Cathy Bovan
ombudsman