

complaint

Mrs R's unhappy with how Sabre Insurance Company Limited treated her when her car was written off after an accident.

background

Mrs R insured her car with Sabre in June 2014. In August 2014 she had an accident. Her car was assessed as "*total loss Cat B*" and written off.

Sabre told Mrs R that she needed to add a replacement car to the policy within 14 days or it would be cancelled. It also explained that she wouldn't get a refund for the 9 months still left of the policy because she'd made a claim.

Mrs R disputed Sabre's settlement offer – this is not the subject of this complaint. Because of this Sabre agreed not to cancel the policy until after the dispute was resolved.

Mrs R's policy expired at the end of the year's cover in June 2015. At this time she'd not put a different car on the policy.

Our adjudicator didn't uphold Mrs R's complaint. She thought Sabre had treated Mrs R fairly. Mrs R disagrees. She accepts that she wasn't entitled to a premium refund. But she thinks that the policy wasn't clear enough about what would happen if her car was written off. And that this stopped her making an "*informed choice*" when she took the policy out.

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 not to uphold Mrs R's complaint. I'll now explain why.

Mrs R complains that Sabre didn't make it clear enough when she bought the policy what would happen if her car was written off. She says this stopped her making an informed choice when she bought the policy.

It seems to me there are two aspects of what happens after a car's written off that are in issue:

1. *That no premium refund will be paid if the policy is cancelled.* I'm satisfied that Sabre made it clear in the terms of the policy that no refund of premium is payable if a claim's been made on a policy. As our adjudicator said, this is a standard term and not something I'd expect Sabre to have specifically brought to Mrs R's attention. Mrs R had claimed on the policy. So if she or Sabre had cancelled it before the end of the year, she wouldn't have been entitled to a refund. And I note that Mrs R's accepted this in her response to our adjudicator's view.
2. *That she had a limited time to add a different car to the policy or it would be cancelled.* The reason an insurer will cancel a policy unless a replacement car is added is because the law requires a policyholder to have an insurable interest in the vehicle insured. Sabre hasn't shown me it was clear about how long it would allow when Mrs R bought the policy. So I'd expect it to give Mrs R a reasonable time to find a new car. Because the settlement was in dispute, I don't think it would have been

reasonable to cancel the policy before that was resolved. I note that Sabre initially told Mrs R she had 14 days to put a car on the policy. But once the settlement was challenged it agreed to keep the policy running. And the policy actually ran for the full one year term. So I think Sabre treated Mrs R fairly in this respect. It gave Mrs R the maximum time it could to put another car on the policy.

Mrs R says she needed to know about this to decide if she wanted the policy. But because this is a legal requirement, it applies to all motor insurers. So I don't think clearer information about this would have made Mrs R decide not to buy the policy.

It follows that I don't think that Mrs R's complaint should succeed.

my final decision

I've decided not to uphold Mrs R's complaint against Sabre Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs R to accept or reject my decision before 30 October 2015.

Mike Foster
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