

complaint

Mr T, Mr J and Mr B complain that Tradewise Insurance Company Ltd (“Tradewise”) has wrongly removed Mr B as an insured driver from a motor insurance policy it issued to them.

background

In March 2017, Tradewise issued a motor insurance policy to Mr T, Mr J, and, Mr B for their business purposes. When Mr B produced his driving licence to Tradewise, it noticed that it had previously been an EU licence. It was a condition of the policy that all drivers should have been resident in the UK for the previous three years. So it asked for proof that Mr B had been so resident.

Mr B produced bank statements, a hand written rent receipt book, and some copy vehicle purchase receipts. But Tradewise said this wasn't enough to show he had been a UK resident throughout the previous three years. So in July 2017 it removed Mr B as an insured driver from the policy.

Mr T, Mr J, and Mr B complained to Tradewise. They said the evidence Mr B had produced was sufficient to establish his residency and had been accepted by other institutions including insurance companies. Tradewise said it was satisfied that Mr B had been resident during 2017, but wasn't satisfied he was resident for the full three years. So it thought it had acted correctly in removing Mr B from the policy and providing a pro rata return of premium.

Our investigator didn't recommend that this complaint should be upheld. It was clear from Tradewise's underwriting criteria that it wouldn't accept drivers on this policy if they hadn't been resident in the UK for the last three years. Of the evidence Mr B had provided to Tradewise, she said:

- the bank statements showed a lot of non-sterling transactions. There were a few deposits into the account from a UK bank, but these were mostly recent;
- the rent information was handwritten and so of limited evidence; and
- the vehicle purchase receipts didn't include Mr B's information.

She thought Mr B should have been able to produce other evidence of his residency in the UK, for example car insurance documents or a bill received at his home address. So she didn't think Tradewise had acted unreasonably, on the basis of the evidence provided, in removing Mr B from the policy.

Mr T responded to say, in summary, that:

- all the non-sterling transactions were made from UK territory on an online exchange platform;
- Mr B could make online transactions and in-store purchases on several consecutive days to show all the transactions took place in the UK; and
- Mr B was on a trade insurance policy during 2016/2017, which Tradewise knew.

my findings

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

It's not our role to decide whether or not Mr B was resident in the UK for the three years before the policy was taken out, but whether Tradewise has acted reasonably, on the evidence available to it, in reaching the decision it did.

By their nature, the online non-sterling transactions shown on Mr B's bank accounts don't really assist one way or the other in showing where he was when they were made. As the investigator said, the evidential value of what Mr B produced for the whole three year period is limited.

Having looked at the evidence Mr B produced to Tradewise for the three years it was interested in, I can't say it acted unreasonably in saying it wasn't enough to satisfy it that Mr B was resident in the UK during that period.

So I can't say it acted unreasonably in deciding to remove Mr B from the policy because he didn't meet its underwriting requirements.

my final decision

My decision is that I don't uphold this complaint, and make no order against Tradewise Insurance Company Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T, Mr J, and Mr B to accept or reject my decision before 10 August 2018.

Lennox Towers
ombudsman