

complaint

Mr M has complained that Skyfire Insurance Company Ltd (Skyfire) declined his claim and voided his policy from the start due because it said he hadn't told them about his previous convictions.

Mr M didn't deal directly with Skyfire, but rather another party administering the policy on its behalf. But, as it was the policy underwriter, for clarity I have referred to Skyfire throughout this complaint.

background

Mr M bought a motor insurance policy with Skyfire in December 2013. He took the policy out through a price comparison website and paid for a full year's cover up front.

During the online application process Mr M was asked the following question: *"Do you have any unspent non-motoring convictions?"* Mr M chose the answer *"No"* in response to this question.

Mr M's car was stolen in early 2014 and he contacted Skyfire to make a claim. During the investigation Skyfire discovered that Mr M had two convictions from November 2013. These related to his presenting himself as a certified professional due to the business name under which he had chosen to trade, when in fact he didn't hold the relevant qualification.

Skyfire said that if Mr M had disclosed these convictions it wouldn't have offered him insurance and so it refused to pay his claim and voided the policy from the start. Skyfire also said that Mr M had deliberately concealed his convictions when taking out the policy, and so it didn't return the premium Mr M had paid.

In addition, Skyfire commented on Mr M's quote history record, saying that before taking out the policy he calculated his potential policy premium using different information over a number of quotes. Skyfire thought this also showed Mr M had deliberately misrepresented his details.

Mr M felt this was unfair and said that he had answered the question he was asked about convictions to the best of his knowledge. He said he thought the convictions were linked to his company and not against him as a private individual. Mr M also said that the differences in the details he used when searching for quotes for his motor insurance could be explained by the fact that he hadn't yet decided in which of three or four possible properties he was going to live.

Because the two parties couldn't agree, Mr M referred the complaint to us. Our adjudicator thought that Skyfire had acted reasonably and so she didn't uphold the complaint. Mr M didn't agree and so the complaint was passed to me. This is the final stage of our process.

my findings

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

I agree with the adjudicator that this complaint shouldn't be upheld and I explain why below.

I think the question Mr M was asked during the applications process about unspent non-motoring convictions was clear and simple. Mr M has said he thinks it was ambiguous, but if he was unsure I think he should have checked with the business.

In my view the conviction notices also clearly show that they are against Mr M rather than against his company. Also, I think Mr M would probably have been told this when he received the convictions. As this was only a month before he took out the policy, I think it would have been fresh in his mind.

So, I think Mr M was asked a clear question and deliberately misrepresented the position to Skyfire. Of course, it's not possible to say for certain that this is what happened. But I think it's the most likely explanation based on the evidence I've seen in this case.

This is enough for me to find that Skyfire was justified in declining the claim, voiding the policy from the start and keeping the premium that Mr M has paid. So I don't need to make a finding on the other issue Skyfire has raised regarding the possible data manipulation on Mr M's quote history record.

However, I will address the additional points that Mr M has made. Firstly, Mr M has said that he didn't receive any policy documents until after his car was stolen and so he didn't see the warning about the need to disclose all important facts. He has also said he shouldn't be subject to the terms and conditions of the policy because the insurer failed to provide him with the policy information. But, whether or not Mr M got a copy of the policy wording, the non-disclosure took place at the point of sale and the policy wording would have been provided after the sale. Also, I understand the price comparison website that Mr M used had a similar warning. In any case, I would expect Mr M to take reasonable care to answer all clear questions to the best of his knowledge, whether or not he was specifically told to do so.

Secondly, Mr M has suggested that customers purchasing motor insurance directly with Skyfire are not asked about non-motoring convictions. Mr M thinks this shows the issue is not important to Skyfire and is simply being used as an excuse not to honour his insurance contract. In my experience, questions about convictions (including non-motoring convictions) are common to most motor insurance policy applications, so I would find it unusual if Skyfire didn't want this information. It's possible that there are further steps to the sale confirmation process for direct Skyfire customers that Mr M is not aware of. In any case, Mr M was asked for this information in his application and Skyfire has confirmed that at that time it wouldn't have offered him cover if he had disclosed his convictions.

Thirdly, Mr M has said that he was in a strong position when choosing motor insurance, being a good driver with a clean licence and ten years' no claims bonus. Mr M has said that this shows he didn't need to withhold information in order to get a better deal, and had no motivation to do so. As I said above, Skyfire wouldn't have been willing to insure him had he disclosed his convictions, regardless of his clean licence and claims history.

Mr M has also said that Skyfire failed to respond to his complaint properly. I have considered the correspondence between Mr M and Skyfire and I think the business has done a reasonable job of dealing with Mr M's complaint. There was an early mistake relating to his quote history record, but this was quickly identified. Other than this, I think that Skyfire has provided a reasonably detailed written response to his complaint.

The other points Mr M has made mostly relate to the discrepancies in his quote history record. As it isn't necessary for me to make a finding on this point to decide the complaint,

I'm not going to discuss Mr M's comments on this issue here. However, I do note that in June 2014 Skyfire offered to return Mr M's policy premium if he was able to adequately explain the discrepancy and provide proof of his address. If Mr M wants to pursue this, he should contact Skyfire to see if this offer is still available.

In summary, I don't think Skyfire has acted unfairly or unreasonably in declining the claim or voiding the policy from the start. It follows that I don't uphold this complaint.

my final decision

My final decision is that I don't uphold this complaint and I make no award against Skyfire Insurance Company Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 October 2015.

Clair Bantin
ombudsman