

complaint

Mr W complains that Tradewise Insurance Company Limited has voided the commercial vehicle policy that he took out in the name of the business he was running.

background

Mr W ran a limited company which had a commercial vehicle policy with Tradewise. In February 2014 he made a claim under the policy for damage to a vehicle that he was driving in the course of his business. Tradewise voided the policy and refused to meet the claim because it had discovered that in April 2013, shortly before the policy was due to be renewed, Mr W had pleaded guilty to a public order offence which he hadn't disclosed.

The adjudicator recommended that the complaint shouldn't be upheld. He said that Tradewise was entitled to void the policy.

Mr W didn't agree with the adjudicator's opinion. He said he hadn't been convicted of the offence until May 2013 a few weeks after the policy had been renewed. He said that the conviction wasn't for a motoring offence so he didn't think he needed to tell Tradewise about 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.

Tradewise obtained a report from the local press which describes the incident in which Mr W was involved. Although there is no date on the report it says that, having pleaded guilty to a public order offence, Mr W was due to return to court on 18 April 2013 for sentence. This was only five days before the policy was due to be renewed. The renewal documents ask for

"details of all convictions, including pending, for any offence with any motor vehicle or any other offence including violence, criminal behaviour, dishonesty and/or any police prosecutions pending for you or any other driver under this insurance".

I find that, even if sentencing didn't take place on 18 April, prior to renewal, Mr W knew that he had pleaded guilty to an offence involving violence and/or criminal behaviour. I am further satisfied that he either knew or ought to have known that he was under a duty to disclose that information to Tradewise. Because of the serious nature of the offence, the fact that he had already entered a guilty plea and the court hearing taking place very shortly before the policy was due to be renewed, I have concluded that Mr W's failure to inform Tradewise of the conviction was, at the very least, reckless.

Tradewise has provided evidence, which I accept, that if Mr W had told it about the prosecution it wouldn't have been willing to renew the commercial vehicle policy for his company. It follows that I find that Tradewise was entitled to void the commercial vehicle policy.

It is clear from the newspaper account of the incident in which Mr W was involved that there were extenuating circumstances that I would hope the magistrates took into account when they sentenced Mr W. This doesn't explain his failure to tell Tradewise about the prosecution or provide a good reason to ask it to reconsider its decision to void the policy and to refuse to pay the claim made under it in February 2014.

my final decision

My decision is that I do not uphold the complaint. I make no award against Tradewise Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 13 January 2015.

Melanie McDonald
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