

complaint

Mr A complains that Tradewise Insurance Company Limited cancelled his motor trade insurance policy unfairly.

background

Tradewise is Mr A's insurer. The policy was arranged through a broker. In August 2017, Mr A asked his broker to add an additional car to his policy. The broker wrote to him to ask for the following:

- His V5 and proof of purchase for his new car
- Proof of address (a council tax and utility bill)
- Confirmation as to who the phone number listed on his policy documents belonged to

Tradewise also wrote to Mr A to say it would cancel his policy if this information wasn't received within seven days. Whilst Mr A sent an explanation about the phone number and the car the next day, Tradewise advised Mr A's broker that it still needed his proof of address and current phone number. Mr A's broker didn't tell him Tradewise were still waiting for information.

As Tradewise didn't receive Mr A's proof of address or phone number by the deadline set, it cancelled his policy. Mr A did send through his proof of address five days after the policy was cancelled, but Tradewise didn't reinstate his policy.

Unhappy with Tradewise's response, Mr A complained. He thought Tradewise was unreasonable in asking for proof of his address when he provided it when his policy was first set up. And he's unhappy that he's incurred costs storing his car off the road whilst he didn't have insurance. Mr A also said insurance would cost him more in future because this policy was cancelled. He wanted Tradewise to compensate him and brought his complaint to our service.

In response, Tradewise said validation checks can be carried out at any point throughout the period of insurance. It asked for the documents above because the car Mr A wanted to add to his policy had been on two other policies with Tradewise, one of which was cancelled and the other was voided. Further, Tradewise said it's entitled to cancel the insurance by giving seven days' notice. And Mr A received a pro rata refund from the date his policy was cancelled – so he'd only paid for the amount of days he had insurance with Tradewise. Unhappy with Tradewise's response, Mr A brought his complaint to us.

Our investigator looked into Mr A's complaint but didn't uphold it. She thought Tradewise were entitled to cancel the policy, but thought Mr A's broker could have been more helpful. Mr A disagreed, saying the cancellation of his policy will make it more expensive to get a new policy. So this has come to me for a decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not going to uphold Mr A's complaint. I know this will disappoint Mr A, but I'll explain why.

Mr A's also complained about his broker and that's being dealt with separately.

The terms and conditions of Mr A's policy say Tradewise can cancel a policy by giving seven days' notice.

Tradewise wrote to Mr A giving him seven days to provide the information it wanted. The notice said cover couldn't be reinstated once the policy was cancelled. And the terms of the policy allowed Tradewise to cancel the policy because it didn't receive the information it requested within seven days.

Mr A, through a friend, called Tradewise about the information it asked for. I've listened to the call – and Tradewise was clear that Mr A needed to send through everything asked for in the letter, including the proof of address.

I know Mr A sent an explanation by email about his phone number and the car. But I can't see that he sent confirmation of his address to Tradewise, which it asked for by letter and by phone. As Tradewise didn't receive all of the information asked for within seven days, I don't think it was unreasonable for Tradewise to cancel Mr A's policy, as the policy allows it to do.

Mr A says he'd already supplied Tradewise with proof of his address and hadn't moved. Tradewise was entitled to check Mr A was still at the address he gave when he bought the policy. People do move – and Tradewise was entitled to ask Mr A for proof he still lived at his given address. It would have been helpful if Mr A's broker had reminded him Tradewise still wanted this information. But it remains that Tradewise gave Mr A a deadline to provide all of the information it asked for and told him his insurance would be cancelled if he didn't meet it. So I still think it was reasonable for Tradewise to cancel the policy.

As Tradewise said on its cancellation notice, it wouldn't be able to reinstate Mr A's policy after it had been cancelled. Whilst Mr A provided the documents Tradewise wanted, the policy was already cancelled and so Tradewise didn't have to reinstate it.

I know Mr A says he's incurred expenses and new insurance will be more expensive for him. But for the reasons explained above, I think Tradewise's decision was reasonable and in line with the terms and conditions of the policy. So I wouldn't ask Tradewise to pay Mr A any compensation.

my final decision

For the reasons explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 June 2018.

Vicki Blackwood
ombudsman