

complaint

Mr F has complained that Watford Insurance Company Europe Limited unfairly cancelled his motor insurance policy without warning.

In pursuing this complaint Mr F's been helped by a representative. But for ease of reading, where it's appropriate to do so, I'll refer to the representative's comments as being those of Mr F.

On 1 July 2020 I issued a provisional decision. For ease I've copied the majority of that below. I said:

"background

On 6 November 2018 Mr F bought his Watford policy from a broker. At that time he mistakenly gave the broker an incorrect email address. But on 12 November 2018 he contacted the broker to amend it to his correct email address. A few days prior to that Mr F's car was impounded by the police.

On 14 November 2018 Watford spoke with the police. They told Watford that Mr F's car was impounded as he'd changed the car's registration with DVLA but his policy used a different registration.

Mr F spoke with the broker on more than one occasion that day (14 November 2018). He updated the car's registration details on the policy. He also asked if the broker could send details of his cover directly to the police. The broker said it couldn't do that as it could only store one email address on the policy. Mr F asked the broker to update his email address with a police email address. The broker did that and sent Mr F's insurance certificate to that email address.

Later that day Mr F rang the broker again and asked if his car would be covered if it was impounded by police. The broker told him that it wouldn't be.

On 16 November 2018 Watford decided to cancel Mr F's policy with immediate effect because his car had been impounded. It sent an email advising Mr F that it had done so to the police address Mr F had given the broker two days earlier. It sent the same email to the incorrect address Mr F had given the broker when he took out his policy. It also sent an email to the broker to say that it had cancelled the policy and asked the broker to post a cancellation letter to Mr F's home address.

The next day, 17 November 2018, Mr F rang the broker to correct another discrepancy on the information it held for him. The broker amended Mr F's details on file and sent another insurance certificate and schedule saying that he was covered by the policy until November 2019. It sent those to Mr F's correct email address. The broker didn't tell Mr F that his policy was cancelled. Shortly after Mr F's car was destroyed as a result of a fire. It was only at that point that he learned that Watford had cancelled his policy the day before.

Mr F complained about both the broker and Watford. We dealt with the complaint against the broker under a different reference number. One of our adjudicators looked at Mr F's complaint against Watford. She didn't think it had done anything wrong. Mr F didn't agree so his complaint's been passed to me to decide.

my provisional 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, it's likely I'll uphold it.

Watford said that Mr F's policy allows it to cancel a policy immediately in the following circumstances:

"If we [Watford] discover that Your Car is currently [emphasis added] impounded by any government or public authority."

Watford said that as it had learned the police had impounded Mr F's car then it could cancel the policy without warning. But in this case Mr F had recovered his car from the police pound on 14 November 2018. And Watford cancelled the policy on 16 November 2018. So the car wasn't currently in the police pound when it decided to cancel Mr F's policy with immediate effect. It follows that the policy didn't give Watford the authority to cancel with immediate effect in those circumstances.

Further, regardless of what the policy says, I think that whether or not the car was actually in the police pound at the time of the policy cancellation is significant. That's because if a car is currently impounded then there is very little prospect of the policyholder driving it immediately. But in this case by the time Watford decided to cancel the policy Mr F was already driving the car again. So in cancelling the policy as it did it left Mr F to being exposed to drive without any insurance cover and without any knowledge of that. And it didn't give Mr F the opportunity to source alternative cover before the car was back on the road. I don't think that was fair.

Also, Watford was aware that the police impounded the car because they were concerned it wasn't effectively insured. I haven't seen any evidence that the police indicated that they were likely to be storing the car in their pound for some considerable time. And Watford knew that Mr F had bought a policy to cover the car and as such changing the registration number on the documents should have been a formality which would allow Mr F to recover his car from the pound without significant delay. And I note that the broker updated the registration details on the policy with the minimum of fuss while the policy was still in place. It follows that Watford should have been aware that it would be possible that Mr F would be able to recover his car without any further delay. So, at the very least, I would have expected Watford to give Mr F seven days warning of its intention to cancel the policy, as that then would have given Mr F enough time to ensure he had alternative cover. But Watford didn't do that.

It follows that I don't think Watford dealt with Mr F fairly; as, I've said above, at the very least I think it should have given Mr F seven days' notice that it would cancel his policy. Mr F could then have ensured he had continuous cover while his car was being used. But Watford unfairly denied him that opportunity. So, in order to put things right, I think Watford should return Mr F to the position he'd have been in if it had treated him fairly and given him seven days' notice that it would cancel his policy. And as such I think it should extend the cover on Mr F's policy by seven days from the date it chose to cancel the policy, 16 November 2018. It should deal with any claims arising from that period applying the remaining terms of Mr F's policy. Also, I'm aware that the unfair way in which Watford cancelled Mr F's policy has been a source of distress and inconvenience for him, so I think it should pay him £400 compensation."

Both Watford and Mr F accepted my provisional decision. But Mr F questioned whether his legal fees should be covered.

my findings

I've considered again all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I'm going to uphold it.

As Mr F and Watford both accepted my provisional decision the only point remaining for me to address is the question of whether or not Watford should cover Mr F's legal fees in connection with this complaint. But I don't think it would be fair to instruct Watford to pay those fees.

That's because we're an informal complaint handling service and consumers can bring their complaint's to us free of charge and without the need for legal representation. Indeed, Mr F initially brought his complaint without the assistance of a lawyer.

Mr F's representative has said that neither Mr F nor any average layperson would have been able to articulate the case successfully. And the representative's implied that the case was of such complexity that our adjudicator initially "did not grasp" Mr F's complaint. But I reject those arguments. In fact, I found Mr F's complaint fairly straightforward. And the reason I said I'd uphold it was based squarely on the principles of what is a fair and reasonable outcome based on the circumstances of the case. My decision wasn't influenced by any legal arguments or principle. So, I don't think Mr F required the intervention of a lawyer in order to bring his complaint successfully.

Also, we operate a two-stage process whereby if either side is unhappy with our adjudicator's (or investigator's) assessment of the complaint then they may appeal it to an ombudsman. And it's certainly not uncommon or unusual for an ombudsman to come to a different conclusion to the adjudicator. And that usually happens without the input of a professional representative. Also, while I don't agree with our adjudicator's assessment of the complaint, I don't find that simply because my decision is different means that the adjudicator couldn't "grasp" it or that it was particularly complex. It follows that I don't think it's fair to instruct Watford to cover Mr F's legal expenses.

my final decision

For the reasons set out above I uphold this complaint. I require Watford Insurance Company Europe Limited to:

- Extend the cover on Mr F's policy for a further seven days from 16 November 2018.
- Pay Mr F £400 compensation for his distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 17 September 2020.

Joe Scott
ombudsman

