

complaint

Mr A is unhappy that Endsleigh Insurance Services Ltd cancelled his motor insurance policy as he had only provided proof of four years no claims discount (NCD) as opposed to five.

The circumstances of this complaint are set out in my provisional decision issued in May 2014 as outlined below:

background

Mr A insured his car through Endsleigh and believed that he provided proof of his five years NCD entitlement in February 2012. Unfortunately, the proof he provided only showed proof of four years NCD.

Endsleigh contacted Mr A's insurer who advised that it would not have offered cover had it known that he only had four years NCD and so Endsleigh wrote out in June 2012 advising that it would cancel his insurance within seven days. Although Mr A went onto provide proof that he did indeed have five years NCD his policy had already been cancelled.

Mr A complained to Endsleigh and then this service as he believed that he had provided proof of his five years NCD and believed his policy was cancelled unfairly. Our adjudicator was satisfied that Endsleigh had acted reasonably in cancelling his policy. Mr A had only provided proof of four years NCD and his insurer confirmed that it would not have offered cover had it been aware that he did not have five years NCD.

As Mr A did not agree, maintaining that he did have five years NCD, the matter has been escalated to me for a final decision.

my provisional findings

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

The issue for me to determine is whether Endsleigh acted reasonably in cancelling Mr A's insurance as it only had evidence of four years NCD as opposed to the specified five.

Although I can understand why Endsleigh believed Mr A only had four years NCD it is clear that he had five. He provided proof of his NCD in March 2012 and it seems reasonable to me that Mr A concluded that the documentation he provided was sufficient to show his NCD as Endsleigh did not make contact to tell him otherwise for over three months. I am sure that Mr A would have ensured that Endsleigh had the necessary proof had he been advised that the documentation he had faxed over was insufficient for Endsleigh's purposes.

Indeed, Endsleigh could have contacted Mr A and his previous insurer, as a matter of good customer service, to establish the correct position before proceeding on the basis that he did not have five years NCD. Any reasonable enquiries would have established that Mr A did have the specified NCD and I presume that is why Endsleigh waived its cancellation fee and only charged him for time on cover (on the basis of five years NCD).

Overall, although I accept that Mr A was only charged for time on cover he has been clearly inconvenienced by having his insurance cancelled and having to gain cover elsewhere at short notice. Furthermore, the fact that he has had insurance cancelled could have an affect on his future premiums and so I believe he should receive £150 compensation for the distress and inconvenience caused, now and in the future.

my provisional decision

My provisional decision is that I am minded to uphold Mr A's complaint and award £150 compensation for distress and inconvenience and ask Endsleigh to ensure it does all it can to make sure all records of the cancellation are removed from all internal and external databases.

developments

Upon receipt, Mr A confirmed that he had nothing further to add and that he accepted the decision while Endsleigh reiterated its position. Specifically stating that it had cancelled Mr A's policy in accordance with the policy terms and conditions, sending seven days' notice of cancellation, as Mr A had provided proof of four years NCD as opposed to five. Endsleigh was of the view that Mr A could have contacted it directly around the time of cancellation or when he realised that he had not sent the correct NCD.

Endsleigh went on to say that it would be a change of business practices to call every previous insurer to check what a consumer had sent was correct. It highlights that it is clearly stated in the policy documents that it is the customer's responsibility to ensure the correct information is provided. In any case, Endsleigh was of the view that there was no reason for it to suspect that the information provided was incorrect.

my findings

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

As Endsleigh has reiterated its position and I have already considered its points, in the main, within my provisional decision I do not propose to rehearse the arguments again, although I will address its latest comments in brief.

I would not expect Endsleigh to contact all previous insurers on every occasion but it could easily have done so on this occasion. At the very least it could have contacted Mr A to query why his NCD showed four years NCD as opposed to the required five. I do not believe it fair or reasonable to not make reasonable enquiries in the first instance with Mr A or his previous insurer.

Mr A clearly had five years NCD but his proof from his previous insurer showed four. Had Endsleigh contacted Mr A to query the position he would have taken steps to provide confirmation by contacting his previous insurer. As stated earlier he provided proof of his NCD in March 2012 and obviously concluded that the documentation he provided was sufficient as Endsleigh did not make contact to tell him otherwise.

As I have not been provided with any further evidence or new information I see no reason to depart from my provisional decision as outlined above and I uphold Mr A's complaint. I accept that Mr A was only charged for time on cover but he has been clearly inconvenienced by having his insurance cancelled and having to gain cover elsewhere at short notice. Furthermore, the fact that he has had insurance cancelled could have an effect on his future premiums and so I believe he should receive £150 compensation for the distress and inconvenience caused, now and in the future.

my final decision

It follows for the reasons given above that I uphold Mr A's complaint and award £150 compensation for distress and inconvenience and ask Endsleigh Insurance Services Ltd to ensure it does all it can to make sure all records of the cancellation are removed from all internal and external databases.

Colin Keegan
ombudsman