

The complaint

Mr B complains that Acromas Insurance Company Limited (“Acromas”) cancelled his motor insurance policy without his knowledge.

What happened

Mr B took out a motor insurance policy with Acromas covering his car in September 2021. The policy was arranged through a broker.

As part of his application for this policy, Mr B had said he had eight years’ No Claims Discount (NCD).

Acromas asked for proof of this. It emailed and wrote to him three times. It used the address he’d used to set up the policy, but he’d moved house so didn’t get the letters. And he said he might have not noticed or read the emails.

Because Acromas didn’t get the proof, it cancelled his policy about a month after it had inception.

Shortly after, Mr B set up a second policy at the same address, with a new car. This policy was also cancelled about a month later due to Acromas not receiving proof of his NCD.

Mr B was stopped by the police for driving without insurance in late January 2022. He said he wasn’t aware of the cancellation as he’d made two payments. He bought a new policy immediately, but was given a fine and points on his licence for driving without insurance.

The offence code and points meant that he couldn’t get a job as an HGV driver and he’d spent thousands of pounds getting qualified to do this.

Mr B says he told Acromas about his new address in September 2021. Acromas said it had no record that he’d asked it to update his address before he rang it in late January 2022.

Acromas didn’t uphold his complaint. It said it’d tried to contact Mr B about his proof of NCD and had cancelled his policy when he didn’t respond.

Mr B remained unhappy and brought his complaint to this service. Our investigator looked into it and didn’t uphold it. He said he thought Acromas’ policy wording allowed it to cancel the policy, and there was no evidence that Mr B had provided the correct updated address. Acromas had also used two different methods to try and contact Mr B.

Mr B didn’t agree with the view. He asked that his complaint was reviewed by an ombudsman, so it has been passed to me to make a final decision.

What I’ve decided – and why

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Mr B has provided this service with extensive correspondence after the view. He's said that the conviction was later removed by a court following a statutory declaration. This usually means that his driving licence has had the code and points removed from it.

He asks that Acromas pay him loss of earnings for the period he wasn't able to work as an HGV driver, as well as the cost of hiring a solicitor to have the conviction removed from his licence.

I've read the file of evidence carefully and, while I appreciate my decision will be disappointing to Mr B, I'm not upholding his complaint. I'll explain why.

Acromas has provided evidence that it asked Mr B three times for his proof of NCD by emailing him and writing to him. By doing this, Acromas has demonstrated good practise in contacting its client by two different methods.

Acromas wrote to Mr B at the address he'd provided it and although he's said he had updated his address with Acromas, I've not seen evidence that he did this.

Mr B has also asked why Acromas didn't contact him by phone given the importance of the message it was trying to get to him. I take his point here, but Mr B provided his contact details in order to set up the policy, and he's told our investigator that he may have missed emails sent to him.

There would have been at least six emails about this matter (spread over the two policies he took out) and I can't fairly say that Mr B's failure to notice these emails, or ensure his address was correct, is the fault of Acromas.

Mr B has also mentioned the payments he thought he was making for his policy. I've looked at Acromas' explanation of these, which apply variously to the three policies he set up on September, November and January. Having reviewed the timeline, it's clear to me that Mr B only paid for the parts of cover he had, before Acromas cancelled the first two policies, and I don't think it's acted unfairly.

Acromas' policy wording allows it to cancel a policy and this part of the policy wording is relevant:

"We may cancel this policy by giving you seven days' notice by recorded delivery letter to your last known address. This policy may be cancelled where there is a valid reason, for example if:

you fail to provide further information or documentation we have requested in writing:

- including but not limited to proof of your NCD."

This type of policy condition is common in the insurance marketplace and I think its use is fair and reasonable here. This point in the policy wording might also help Mr B understand why insurers contact customers in writing about the cancellation of a policy, rather than by telephone.

It follows that I think Acromas reasonably asked Mr B to prove his NCD. When it wasn't received, Acromas cancelled his policy according to its terms and conditions.

Mr B was then stopped by the policy and prosecuted.

I appreciate the impact on Mr B's livelihood as a result of this action, but I don't think

Acromas has acted unfairly in carrying out the actions it has, so I'm not going to uphold his complaint.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 September 2023.

Richard Sowden
Ombudsman