

## **The complaint**

Mr W complains about his insurer, Ageas Underwriting Limited (Ageas), cancelling his motor insurance policy.

Any reference to Ageas in this decision includes their agents.

Mr W was supported by a representative when bringing his complaint. References to Mr W include his representative.

## **What happened**

In February 2022 Mr W took out a motor insurance policy with Ageas, through a comparison website, taking effect later in the month. He paid the full annual premium when taking out the policy. He received an email confirming the policy had been taken out and it could be accessed online. Mr W subsequently received letters in February and April 2022 asking him to verify his email address (which he did).

In May 2022 Mr W was pulled over by the police, as they believed his vehicle wasn't insured. Mr W contacted his father, but he couldn't locate the policy. So, the police seized the vehicle and impounded it. Mr W contacted Ageas the following day and was told the policy had been cancelled because he'd failed to disclose a previous claim. Mr W believed he had disclosed the claim when taking out the policy through the comparison website.

Unhappy at his policy being cancelled and being stopped by the police (and his vehicle impounded) Mr W complained to Ageas. But they didn't uphold his complaint. In their final response they said confirmed the policy was taken out through the comparison website and the preferred delivery method (for communications about the policy) was recorded as being through 'download' (meaning all documents were to be uploaded to an online account Mr W would have needed to set up). An email to prompt the account set up was sent to the email address provided by Mr W when taking out the policy.

Ageas noted that when the policy was taken out Mr W didn't mention any previous claims in the last three years. But they were subsequently informed of a claim through the Claims and Underwriting Exchange (CUE). Ageas also referred to subsequent letters sent to Mr W, through download, email and by post, asking him to contact them. While Mr W confirmed his email address, he didn't respond to the request to contact Ageas (about the previous claim). So, Ageas cancelled the policy and issued a refund. Ageas said they'd followed the correct procedure (and Mr W's preferred method of communication) in cancelling the policy. As they operated an inbound call centre, they wouldn't have the resource to call every policyholder prior to cancellation.

Mr W complained to this service. He said he'd declared the previous claims when taking out the policy and didn't know there were any issues with his policy. He's had to pay £170 to have this vehicle released, pay a £300 fine for not having insurance and six points on his driving licence. This would have a significant (and long lasting) impact on obtaining insurance in the future (such as higher premiums). He wanted Ageas to reimburse him for the £170 fee and £300 fine and provide an indemnity letter so he could appeal against the six points on his licence. He also thought Ageas needed to improve their communication

because – if an email was returned as ‘undeliverable’ – they should call the policyholder or write to them explaining the problem with the policy and the opportunity to amend things as necessary.

Our investigator didn’t uphold the complaint, concluding Ageas didn’t need to take any action. Given the evidence from CUE about the previous claim, he thought Ageas had acted fairly in cancelling the policy. And they’d tried to contact Mr W about the previous claim by email and by post. While one email had come back as undeliverable, Mr W had confirmed his email address and other emails sent by Ageas hadn’t come back as undeliverable. Using two different forms of communication was reasonable, and Ageas couldn’t be held responsible for what may have happened after they had sent them.

Mr W didn’t agree with the investigator’s view and asked that an ombudsman review the complaint. He said he had declared all previous claims when taking out the policy through the comparison website – but the information hadn’t transferred to Ageas. And he didn’t receive the emails sent by Ageas – but received the letters asking him to confirm his email address, which he did. But he didn’t receive the other letters asking him to contact them. He also thought Ageas should have called him about the potential cancellation, given its importance.

### **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.

My role here is to decide whether Ageas has acted fairly towards Mr W. Given the circumstances of Mr W being stopped by the police and his vehicle impounded, it’s important to note this service doesn’t have any role or remit regarding the actions of the police (nor of any subsequent issue of fines and penalty points). So, this decision does not consider the actions of the police or the judicial system.

The key issue here is whether Ageas acted fairly in cancelling Mr W’s policy due to his not declaring a previous claim when he took out the policy. Ageas say Mr W gave incorrect information when he took out the policy by not providing details of the previous claim. Ageas say they tried to contact Mr WJ about the incorrect information (by email and by post) but he didn’t respond. So, they say they acted fairly in cancelling the policy. Mr W says he declared the previous claim when taking out the policy and he wasn’t aware there was an issue with the policy. He says Ageas should have phoned him if there was a problem with the policy.

As the policy was cancelled by Ageas because they considered Mr W hadn’t declared a previous claim, I’ve first considered whether this is the case. Looking at the *Statement of Fact* document when the policy was taken out, under the section headed “*About the driver’s insurance history*” there’s a question that asks:

*Has any driver been involved in any motoring accidents or claims (regardless of fault) in the last 3 years?*

The answer to the question is recorded as ‘No’. I think the question is clear, as is the answer. At the beginning of the document there’s a statement that:

*“Below is a record of the information you have provided. Please check this information carefully, if there is anything missing or incorrect please let us know immediately as this could result in a claim not being paid or your policy being cancelled.”*

I think this makes it clear that inaccurate information – which would include not declaring a previous claim – could lead to the policy being cancelled. Which is what Ageas did when they found out about the previous claim by Mr W.

One of the points made by Mr W is that he did declare the claims when he took out the policy. More specifically, that he'd previously entered details of them when using the comparison website, so it may be there was an issue in data transferring across to Ageas when he took out his policy with them. I've thought about this, but I'm not persuaded. While it's possible there may have been a data transfer issue, I've not seen any evidence to support this possibility.

And it doesn't absolve Mr W of the responsibility to check the information Ageas produced in the *Statement of Fact* document before the policy started – so that the policy was based on accurate, complete information. From what Ageas and Mr W have said, it appears Mr W only accessed his online account the day after he was stopped by the police. As he'd put down 'download' as the preferred method of communication, then I think it was his responsibility to use that method (including setting up an online account to view the policy documents and other communications). I can't hold Ageas responsible for Mr W appearing not to do this at the time he took out his policy.

Having established the declaration made by Mr W when taking out the policy (which he should have seen on the *Statement of Fact* document issued before the policy started, so would have had the opportunity to contact Ageas to correct it) I've then looked at the information Ageas have provided from CUE. This database holds details of claims made under insurance policies, to which insurers record details of claims.

Ageas have provided an extract from CUE recording a claim by Mr W. The extract records the date of the accident leading to the claim (April 2020) and the claim being closed (August 2020). It also records the value of the claim (as settled). Given these dates, the claim falls within the period of 'the last three years' in the question set out above. So, I've concluded Mr W provided incorrect information when taking out his policy (by answering 'no' and in not declaring the previous claim). Given the statement above about Ageas being able to cancel the policy if incorrect (or missing) information is provided, then I've concluded they acted fairly in exercising their right to cancel the policy because of the non-disclosure of the previous claim by Mr W.

Having reached this conclusion, I've also considered the issue of whether Mr W was aware of an issue with his policy – he maintains he wasn't aware, and that Ageas should have phoned him if there was an issue.

Looking at the information provided by Ageas, it notes the policy was taken out via a comparison website and a welcome letter (and policy documentation) was issued through an online portal (for Mr W to download after setting up an account) and as an attachment to the email address provided by Mr W when taking out the policy. Information provided by Ageas indicates the letter and document weren't downloaded (or viewed) until May 2022. As I've said earlier, I can't hold Ageas responsible for Mr W not setting up an account (having been prompted to do so) and viewing the policy documents – and subsequent letters asking him to contact them – at the time he took out his policy.

Ageas also say they received notification of Mr W's previous claim from CUE a few days after Mr W took out the policy (just under two weeks before the policy was due to come into effect). They sent a letter by download and as an email attachment to Mr W asking him to contact them in the next 14 days – or the policy would be cancelled. However, two days after they sent the letter, Ageas received an 'undeliverable' message. So, they sent a letter by

post to the address provided by Mr W saying the email had been rejected and asking him to confirm his email address. They also sent a copy of the earlier letter by post.

A week later, Ageas sent a further letter by download and email attachment, confirming the policy would be cancelled if Mr W didn't contact Ageas in the next seven days. Ageas say this didn't come back as 'undeliverable'. A week later, Ageas received confirmation from Mr W of his email address. However, they didn't receive a reply to the letter about the previous claim (asking Mr W to contact them).

As they hadn't received a reply, Ageas cancelled Mr W's policy just over two weeks later, with effect from the beginning of March. Ageas processed a refund back to the payment card used to take out the policy (net of a £50 cancellation fee; £20 set up fee; and the time on cover). Confirmation of the cancellation was sent via download and email (which didn't come back as undeliverable). Mr W subsequently again confirmed his email address at the start of April. Ageas replied to the email, confirming cancellation of the policy due to the claims information provided when the policy was taken out being incorrect.

Having set out this timeline and sequence of events, I've also considered the points made by Mr W. He says he didn't receive the emails from Ageas asking him to contact them. He's provided some evidence the issue may have been linked to the form of the email account he provided (a work email address). However, as it was the email address he provided – and subsequently confirmed – I can't hold Ageas responsible if there had been any issues with emails sent by Ageas not being received by Mr W. Ageas did write to Mr W asking him to confirm the email address, which he did (twice). The fact Ageas had to write to ask Mr W to confirm his email address should also have raised with him the potential issue of emails not reaching him.

Mr W says he didn't receive any letters (by post) other than those asking him to confirm his email address. Ageas say they also sent a copy of the earlier letter asking him to contact them. Mr W says he didn't receive it. While letters can go astray in the post, I don't have reason to doubt Ageas as they've provided a copy of the letter. And given what I've said about it being for Mr W to have set up an online account to enable him to view documents and other important communications, then I can't hold Ageas responsible if Mr W didn't access the documentation and correspondence through the preferred route he indicated when taking out the policy.

On the point about it should have been for Ageas to phone Mr W (as Mr W maintains, given the importance of the potential, and then actual cancellation, I'm not persuaded by this view. Ageas used two forms of communication, at least one of which should have been sufficient for Mr W to then contact them. And it would have been open to him to call Ageas.

Based on these points, I've concluded Ageas acted fairly and reasonably in cancelling Mr W's policy, in line with the policy terms and conditions, because he provided inaccurate information about his previous claim, which the above reference makes clear could lead to the policy being cancelled.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 August 2023.

Paul King

**Ombudsman**