

The complaint

Mr K complains that Skyfire Insurance Company declined him a policy on the basis of incorrect information, which has affected the cost of his premiums.

What happened

Mr K had a motor insurance policy with Skyfire from September 2021 to September 2022 which was arranged through an intermediary.

On renewal, Skyfire declined to offer cover because Mr K had 5 claims in the previous 5 years.

However, Mr K says this is incorrect because one claim was a windscreen claim, and three of the other claims are non-fault.

Mr K also says that he was incorrectly told that he would need to declare the declinature to his new provider, and so he paid £1700 for a policy that should have cost him around £600, and he has to have a black box. Skyfire later told him that he didn't have to declare it as it was an underwriting decline.

Mr K wants the declinature removed from his record, and compensation of the £420 extra he has paid for a policy.

Mr K raised a complaint about this but he was unhappy with Skyfire's response and brought his complaint to us.

One of our investigators has looked into Mr K's complaint but he thought Skyfire had acted fairly and within the terms of the policy.

Mr K disagreed with our investigator's view, and so the case has come to me to review.

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.

What I have to decide is whether Skyfire have acted fairly and in line with their own underwriting criteria when declining cover, and whether they provided incorrect advice to Mr K about what he needed to declare to a new insurer.

I'm not upholding this complaint and I will explain why.

Skyfire have provided their underwriting criteria, which says that they won't offer cover if there have been more than four claims in the previous five years regardless of fault - but excluding windscreen and key claims.

They note that Mr K has had 5 claims on the following dates – 23 July 2019, 1 November 2019, 29 August 2021, 9 November 2021, 5 February 2022 – which were all in the five years prior to renewal.

Skyfire have sent me the claim data that was held on their systems, and I can see that all five of the above claims were accidents, although only one of them seemed to be a fault claim. There is also a sixth claim on 13 September 2022 which is for a windscreen.

And so, on the basis of that information provided I am satisfied that Skyfire have fairly applied their underwriting criteria in declining cover to Mr K, as the evidence shows that he had 5 claims in the previous five years, excluding the windscreen claim. I appreciate that Mr K feels this is unfair because some of the claims are not fault claims, and one of them was before he was insured by Skyfire, but unfortunately, as I've said above, that doesn't matter for the purposes of Skyfire's underwriting criteria, and they were clear about that from the initial renewal enquiry.

I've then looked at what advice Mr K was given about what he needed to declare to any future insurer.

I've listened to the call that Mr K had with Skyfire when he was renewing his insurance on 24 August 2022. He was advised that they wouldn't be able to insure him for the next year, and they were clear that it didn't matter who was at fault in respect of the claims. They also advised Mr K that he would need to declare the five claims to his new insurer. However, they didn't advise that he would need to declare that he had been declined insurance by them. And so whilst I can understand how Mr K made the mistake of declaring the insurance decline to his new insurer, I can't fairly say that it was Skyfire's fault that he did so, as they didn't tell him that he needed to do so.

I can see that Skyfire have offered £75 by way of apology for misadvising about his no claims discount, and I don't propose to interfere with that award.

My final decision

I'm not upholding Mr K's complaint about Skyfire Insurance Company Limited and so I won't be asking them to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 August 2023.

Joanne Ward
Ombudsman