

The complaint

Mr A complains that Sabre Insurance Company Limited ("Sabre") cancelled his policy which means he has to tell his future insurers and it's costing him a lot of money in additional premiums.

What happened

Mr A took out a motor insurance policy with Sabre covering his car.

He carried out the quotation process around 19 June 2023, and wanted the policy to start on 29 June.

Sabre carried out some checks on Mr A's application for cover. It found he'd made many different quotations before he'd taken this policy out. It couldn't link him to an address he'd given in the quotation process and Mr A had changed some of his details in many of the quotations. It cancelled Mr A's policy with seven days' notice. This meant the policy would be cancelled before it began.

Mr A contacted Sabre and complained. He cancelled his policy before the seven days were up. He was told by Sabre's call handler that because he'd cancelled it, he didn't need to tell insurers about it in the future. Sabre then said this was a mistake by its call handler and that Mr A did need to tell other insurers about it.

Shortly after, Mr A took out another policy which also had Sabre as one of the insurers. That policy was cancelled in the cooling-off period by Sabre. Mr A again took a third policy out with Sabre, which again cancelled cover.

Mr A remained unhappy and brought his complaint to this service. He says he is now having to pay high premiums for cover because Sabre said he needed to disclose the cancellation.

Our investigator looked into his complaint and thought it would be upheld. She thought Mr A had chosen to cancel the policy so Sabre needed to write to him and confirm he didn't need to disclose this to new insurers.

Sabre didn't agree with the view. It said it recognised its call handler had made a mistake by telling Mr A he didn't need to tell insurers about the cancellation, but maintained that Mr A needed to tell other insurers about it in future. It asked that this complaint was reviewed by an ombudsman, so it has been passed to me for a final decision.

I issued a provisional decision as follows:

Having read the file of evidence I'm proposing to not uphold this complaint. I'm issuing this as a provisional decision because I've changed the outcome reached by our investigator, and to allow both parties to consider the matter further.

I can see from the file that Sabre said Mr A made over a hundred quotations when he was looking for cover. I can see that he changed several different sections of information when he was doing this, including address, occupation, his name, and modifications to the car.

This type of activity is suspicious to insurers because it would effectively mean Mr A was using the legitimate quotation process to find the best option for him to take out.

It's not unreasonable to expect customers to look for different options. In Mr A's situation this would apply as he said he wasn't sure about where he was going to live or was it best to describe himself as being in education or employment.

But as Sabre found he'd done so many quotations, it became suspicious of Mr A's motives and then cancelled his policy before it began. Effectively Sabre refused to insure Mr A. It's continued to take this approach in the subsequent two policies Mr A tried to take out.

When Mr A spoke with Sabre's call handler about this, he was told that he didn't need to tell insurers about the cancellation in the future, because he'd cancelled it before the seven-day notice given by Sabre was up. Sabre then said this was an error and Mr A shouldn't have been told this.

I've thought carefully about the situation Mr A was in. Sabre had cancelled his policy before it started. I think this reasonably means it refused him as a customer. Then it adopted this approach twice more, with policies arranged through different organisations but still insured by it.

I've also thought about whether it's fair that Mr A is effectively able to 'game' an insurer's system in this way, producing over a hundred quotes, and then be able to escape responsibility for the insurer declining to cover him by cancelling it himself. And I don't think it leads to a fair and reasonable outcome if he's able to do this.

Sabre has told this service it has recorded the cancellation on its internal database and has shared it with two brokers who were involved in the second and third policies it refused. But it hasn't recorded its cancellation on other external databases. That's why it says Mr A needs to tell insurers in the future about what happened. I think Sabre's actions here are fair.

Taking everything into account, I think Sabre acted fairly and in accordance with its terms and conditions when it cancelled Mr A's policy. And it's Sabre's choice to refuse to do business with him again, so I can't say its actions are unreasonable.

So I think Mr A does need to tell insurers about why his policies were cancelled or refused in future. Because I think Sabre has acted fairly I don't think it needs to pay compensation to Mr A or towards his increased premiums.

Responses to my provisional decision

Neither party responded to my provisional 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.

As neither party responded to my provisional decision, my final decision and reasoning remains the same as in my provisional decision.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 February 2024.

Richard Sowden
Ombudsman