

## **The complaint**

Mrs D on behalf of Mr D has complained that Mr D wasn't adequately insured for his truck when he bought a motor insurance policy with U K Insurance Limited due to modifications she says they declared.

As Mrs D made the calls with UKI and is representing Mr D in his complaint, I'll refer to Mrs D in my decision.

## **What happened**

In July 2021 Mrs D changed a vehicle under Mr D's motor insurance policy.

At renewal in July 2022, Mrs D called to discuss the policy with UKI. Mrs D discovered that UKI wouldn't provide cover if it had known their truck had a bull bar, unless Mr D could show it was part of the truck when it was manufactured. Mrs D was very upset at discovering this and raised a complaint with UKI. She said she made it aware of the bull bar modification at renewal in 2021.

UKI didn't uphold the complaint. It listened to the key calls and said Mrs D didn't tell it about the bull bar modification in 2021. It explained that it was for Mr D to declare any modifications - and as UKI had asked about modifications and the bull bar hadn't been declared, it hadn't done anything wrong.

UKI cancelled Mr D's policy due to non-payment of premium. It said Mr D owed a balance.

Mrs D brought the complaint to us. She wanted UKI to provide a refund for the premium she paid from July 2021 and to write off the final payment Mr D owed.

Our Investigator didn't recommend the complaint should be upheld. She found that UKI had asked Mrs D in July 2021 to come back to it if there were any other modifications on the truck - and it had recorded modifications Mrs D had told it about under the policy. From the call, Mrs D hadn't mentioned that the truck had a bull bar. So UKI had correctly provided insurance based on the information provided.

Mrs D didn't agree. She said they wouldn't have known if the truck's bull bar was a modification. Mrs D said she didn't ask for the whole year's premium back, but wanted UKI to write off the last premium Mr D didn't pay under the policy as a bare minimum for the distress and inconvenience caused. Mrs D says she believes the policy was mis-sold to her in July 2021.

Mrs D said UKI gave conflicting information: that Mr D was insured, but that he wasn't. Mrs D says UKI has caused upset and worry when they realised Mr D wouldn't have been insured in the event of a claim since July 2021 because of the bull bar modification.

So as Mrs D didn't agree, the case has been passed to me to decide.

We have provided Mrs D with a copy of the call recordings and has called to say that on listening to the calls, she doesn't agree they reflect how the conversations went.

## 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.

I've listened to the key calls from July 2021, when Mrs D changed the vehicle, and at renewal in July 2022.

Mrs D didn't tell UKI when she changed the vehicle in July 2021 that it had a bull bar. She declared other modifications. They hadn't yet collected the vehicle. Mrs D asked the agent why they have to declare modifications. The agent explained that if the vehicle is as it left the factory, that's fine - anything changed or after that is classed as a modification. The agent explained that the insurer may not pay out and may void the whole policy. So the agent said the best thing to do is declare them - sometimes it may not affect the premium.

Mrs D told the agent about a lifted suspension and upgraded wheels. The agent asked if there were any other modifications. Mrs D said 'no'. The agent said he would provide a quote - and he asked Mrs D to do checks on the modifications.

The policy documents issued to Mr D said:

*What changes do I need to tell you about?*

*You must tell us if any of the following details change before you need cover to start:*

*• you change your car; • you modify your car (please see general condition 8 for further details);*

And it defined the term 'modifications' as:

*"Modifications – any changes to your car's standard specification, including optional extras. These include, but are not restricted to, changes to the appearance and/or the performance of your car (including wheels, suspension, bodywork and engine) and include changes made to your car by the previous owner(s)."*

So I think UKI made it clear that it needed to know about any modifications to the truck in order to be able to confirm if it could provide cover.

Insurers underwrite the risk a policyholder presents with their vehicle and history differently. This is why we see such a wide range of prices on comparison websites, even though it is for the same information that we as policyholders have given.

An insurer's underwriting criteria - what it is prepared to underwrite - is commercially sensitive and so cannot be shared. And an insurer cannot know what changes have been made to a customers' vehicle beyond the manufacturer's specification. So the responsibility for declaring any modifications falls on the policyholder. For these reasons, an insurer cannot tell a policyholder what modifications it will and will not cover until a policyholder declares them, and the insurer can then check it's criteria. An insurer will then let a policyholder know if it will provide cover. This is why UKI set out under the policy that any changes needed to be alerted to them before Mr D needed cover to start.

When Mrs D called in July 2022 to discuss the renewal of the policy, the agent asked if she had noticed anything else that needed changing. Mrs D discussed other changes, which the agent updated. Mrs D then said she had told UKI about modifications for the truck when she took out the policy - but wanted to double check in case of any issues. Mrs D said the truck has a bull bar on it. She said she didn't know if this was classed as anything.

The agent asked for more information about the bull bar. He asked if it could be removed. He explained that if the bull bar can be removed, UKI wouldn't insure it. He said that he could renew the policy with the bull bar not being on there, so with the intention of it being removed. He said if there was to be an incident with the bull bar on the truck, then Mr D wouldn't be insured.

Mrs D asked if this meant no cover at all. The agent clarified that going forward, UKI wouldn't be able to cover it. Given that it's on there at the moment, the agent offered to put the renewal through, but with the intention of removing the bull bar.

Mrs D said they wouldn't be removing the bull bar as it was on the truck when they bought it. The agent reiterated that UKI wouldn't be able to renew the policy. He explained that its underwriting criteria meant it wouldn't accept cover with the bull bar on the vehicle.

Mrs D asked for a refund of the premium paid for the last year. She said it should have been explained to her last year. The agent agreed to review the call recording from July 2021. He explained that there's lots of things UKI doesn't cover. It asks what modifications a policyholder has on the vehicle and then UKI can make them aware at that time.

I appreciate Mrs D believes she told UKI about the bull bar modification in July 2021. And she believes it is something in any event UKI should have alerted her to. But I don't agree for the reasons I've given above. Based on the call recordings and the policy wording, I think UKI made it clear to Mrs D that she needed to let it know about any modifications and the potential consequences if any modifications weren't declared.

This means I don't think UKI is responsible for the distress caused by Mrs D's decisions to temporarily remove the bull bar, cancel the Direct Debit, and obtain alternative insurance elsewhere. As the policy was cancelled due to non-payment of premium, UKI is entitled to ask Mr D to pay the balance in line with the policy terms.

I'm sorry to disappoint Mrs D. But I don't think UKI has acted unreasonably. So I'm not asking it to do any more.

### **My final decision**

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 D to accept or reject my decision before 2 August 2023.

Geraldine Newbold  
**Ombudsman**