

## The complaint

Mr M complains that Advantage Insurance Company Limited (Advantage) cancelled his motor insurance policy. References to Advantage include other individuals and organisations acting on its behalf.

## What happened

Mr M took out a new motor insurance policy underwritten by Advantage. A few days after he took out the policy, Advantage cancelled it. Advantage sent Mr M two letters with the same date. One said:

*“Your car insurance has been cancelled*

*...This is because new information has come to light during our validation checks, and we're no longer able to cover you based on these details.”*

The other said:

*“Sorry, we can no longer insure you*

*We wrote to you recently about an outstanding debt, letting you know we'd cancel your policy if this wasn't paid. But since then we've reviewed your details and found:*

- You carried out a number of quotes using different details.”*

Both letters said the policy would be cancelled on a date seven days from the date of the letter.

Mr M says he didn't have a previous letter about an outstanding debt, and that he paid for the cover in full when he took it out.

Mr M wasn't happy about this so he contacted Advantage. Advantage accepted that he had paid for the insurance, but said the policy was cancelled due to different details being input into searches for his insurance on a comparison website.

Mr M then complained to Advantage. Advantage said following a review of his policy its validation team informed him his policy was due to cancel as a result of him carrying out a number of quotes using various details.

Advantage said as his insurer it could cancel his policy at any time by sending him seven days' written notice to the last postal or email address on its system. Advantage said Mr M's policy was therefore cancelled in line with its cancellation processes.

Mr M wasn't happy with Advantage's response, so he complained to this service. Our investigator didn't uphold his complaint. He said Advantage had acted reasonably and in accordance with the terms of Mr M's policy.

Mr M wasn't happy with what the investigator said, so his complaint has been passed to me.

Mr M wants Advantage to rescind its decision to cancel the policy so that the cancellation won't affect the price of his future insurance.

### **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 don't uphold Mr M's complaint. I'll explain why.

Mr M is unhappy that Advantage cancelled his policy without speaking to him, as he believes he could have explained what happened and no further action would have been taken against him.

Mr M says he believes Advantage's validators, having seen the non-payment, looked further into the comparison website. He believes the validator was angry thinking he hadn't paid his premium and he had used some different details, and decided to "teach him a lesson" and cancel his policy.

Advantage told this service that its policy review team could see that Mr M had completed numerous quotes online with varied information including the mileage, no claims discount, licence, claim information and occupation. Advantage said because of the volume of quotes and information that was different, its decision was to cancel the policy with immediate effect. However it provided seven days cover to Mr M. Advantage said this was in accordance with the fraud and cancellation terms of his policy.

Mr M accepts that he, and a member of his family, did run various quotes for his car insurance on the comparison website. However he says the differences can all be explained by error, or because of using different start dates. Mr M says he does have different jobs and did enter different ones but they are all genuine roles and there was only the facility to enter one of them on the website. He says the details provided to Advantage to take out the policy with it were all correct, and he entered the occupation he would be using the car to drive to.

Mr M's insurance policy documents said:

#### ***"7. Fraud***

*You must not act in a fraudulent manner. If you, or anyone acting for you:*

- *Knowingly provide information to us that is not true*
- *Mislead us in any way, including about who is the main user of the Car, in order to get insurance from us, obtain more favourable terms or reduce your premium*

*...Then, depending on the circumstances:*

- *Your Insurer may be entitled to refuse responsibility for the claim to which the alleged fraud or falsehood relates. They may also be entitled to cancel or void the Policy without refunding your premium..."*

And:

*"Our rights to cancel your Policy*

*We may give you seven days' notice of cancellation*

*We and your Insurer can cancel your Policy at any time by sending you seven days' written notice to the last postal or email address on our system, stating why the Policy has been cancelled. We can only do this for one of the following reasons:*

- We've been unable to collect a payment for the Costs of Insurance—see general condition 4*
- You refuse to allow us or your Insurer reasonable access to your Car/s in order to provide the services you've requested under this Policy e.g. when you make a claim*
- You don't provide reasonable co-operation to us or your Insurer in order to allow us to process your Policy, or a claim, or to defend our interests*
- Your Insurer is prevented from providing cover under this Policy by law or other reason*
- You don't send us or your Insurer information or documentation that your Insurer reasonably requires to process your Policy, or a claim, or to defend their interests*
- You don't take care of your Car/s as required by general condition 3 and in your Insurer's reasonable opinion this materially increases the risk they have insured*
- You use threatening or abusive language or behaviour, or intimidate or bully our employees or your Insurer's staff or suppliers.*

*In certain circumstances we or your Insurer have the right to treat your Policy as if it never existed, without giving you notice or refunding your Premium. This will only apply if you make, try to make or where your Insurer reasonably suspects - misrepresentation which is deliberate and/or reckless. If the Policy is treated as if it never existed, any claims made before or during this time will be declined.*

#### *Cancellation with immediate effect*

*If you make, or try to make, a fraudulent claim under this Policy, or where your Insurer reasonably suspects fraud, we or your Insurer has the right to cancel your Policy with immediate effect and without refunding your Premium. Any valid claims made before the cancellation of the Policy, will continue to be dealt with by your Insurer."*

I think that Advantage did have grounds to cancel Mr M's insurance policy. And I don't think Advantage needed to speak to Mr M before cancelling his policy..

A large number of quotes were run for his insurance using various different details. I think that the responsibility lies with the person looking for an insurance quote to take care to use the correct details. And whilst I accept that Mr M does have different jobs, the price comparison website asked for his primary occupation, which should have remained the same. Arguably Advantage may not have followed the terms and conditions of Mr M's policy, in that the policy says if Advantage suspects fraud or misrepresentation it can cancel the policy with immediate effect without refunding the premium or treat it as if it never existed. In fact Advantage gave Mr M seven days' notice of the cancellation and refunded part of what he had paid. So even if Advantage did make a mistake, Mr M was not disadvantaged.

Mr M has referred to the Fraud term in his policy which I have quoted above. He says he didn't mislead Advantage about who was the main user of the car. I've not seen anything to suggest that this was a factor in Advantage's decision to cancel the policy, rather it was the different information provided to obtain the different quotes on the comparison website.

**My final decision**

For the reasons given above I don't uphold Mr M's complaint. So I won't be asking Advantage Insurance Company Limited to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 October 2023.

Sarah Baalham  
**Ombudsman**