

The complaint

Mr R complains that Watford Insurance Company Europe Limited (Watford) unfairly cancelled his motor insurance policy.

What happened

Mr R took out a motor insurance policy with Watford with effect from November 2022. He says the policy was later cancelled without an explanation why.

Mr R wants the cancellation to be removed from his record as this has increased the cost for him to find alternative cover.

When Mr R contacted our service we referred his complaint onto his insurer. He'd previously been in contact with his broker. His insurer sent him a final complaint response in July 2023. It said Mr R's policy was cancelled with effect from 2 March. This was because he failed to provide, via his broker, the documentation it requested. This was to validate the information he'd provided.

Watford says the broker did receive the requested documentation after the policy was cancelled. But at this point, as underwriter for Mr R's policy, it was responsible for authorising any reinstatement. Watford says it carried out checks at this time and found evidence of links to other fraudulent applications. As a result, it confirmed to Mr R's broker that the policy must remain cancelled.

Mr R thought he'd been treated unfairly and referred the matter to our service. Our investigator didn't uphold his complaint. He says Watford had acted within the terms of Mr R's policy by relying on a fraud condition to cancel the policy.

Mr R disagreed and asked for an ombudsman to consider his complaint.

It has been passed to me to decide.

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.

Having done so I'm not upholding Mr R's complaint. Let me explain.

I can see that Mr R's broker wrote to him on behalf of Watford at the end of November 2022. It asked him to provide various documents to allow its validation process to be completed. The letter explains that if it didn't hear from Mr R within 16 days the policy may be voided or cancelled.

Mr R's broker wrote to him again on 21 February 2023. The letter sets out a further list of information and documents that Watford needed to ensure it had offered cover on the correct terms. The letter says if it doesn't hear from Mr R by 1 March 2023, or if all the information isn't provided by this date, the policy will be immediately cancelled or voided. A

letter was then sent to Mr R on 2 March 2023 confirming his policy had been cancelled. It says it believes he may have acted dishonestly when arranging the policy.

Mr R emailed his broker around a week later to make clear that he'd declared his driving conviction when he applied for the policy. He also says that he'd provided the documents requested of him. Mr R's broker responded to say Watford has exercised its right to cancel his policy due to discrepancies it'd found. It says the policy wasn't cancelled because of his driving conviction.

In a later emailed response Mr R's broker says it doesn't have the full details for the cancellation as it isn't 'privy' to this information. But it reaffirmed that Watford had cancelled the policy because of discrepancies between this policy and others in Mr R's name. It says because of this Watford was no longer willing to offer cover.

We asked Watford to provide information to support its cancellation of Mr R's policy for reasons of fraud. I'm not able to share this information due to its sensitive nature. But I have carefully considered what it provided when deciding if Watford treated Mr R fairly. I think it did.

Watford's policy terms are clear that it can cancel the policy with immediate effect on the grounds of fraud. I'm satisfied Watford acted reasonably and according to its policy terms when cancelling Mr R's policy for this reason. I realise this will be disappointing for Mr R, but I've not seen reason to require Watford to remove its policy cancellation marker. So, I can't fairly ask it to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 December 2023.

Mike Waldron
Ombudsman