

## **The complaint**

Miss M complains Ageas Insurance limited (Ageas) unfairly said the motor insurance policy she had taken out with it after obtaining a quote from an on-line comparison site had to be cancelled. Miss M said this caused her additional costs to insure elsewhere.

## **What happened**

On 2 July 2022 Miss M used an on-line price comparison website to find a motor insurance policy. Based on the answers to the questions asked by the on-line comparison site she was offered a policy with Ageas. Ageas sent out its policy pack by email. The policy was to start on 4 July 2022. The email bounced so the policy pack was sent by post.

On 5 July 2022 Ageas was contacted by Miss M and the police to confirm the car was covered by its motor insurance policy. The police had seized the car on 29 June 2022 as it had been left parked on a public road and was not insured. Miss M wanted to retrieve the car from the police compound and needed to prove it was now insured

During the call Ageas checked the information it held for the policy and found an issue with the purchase date of the car and that the car was already seized prior to the policy starting.

Miss M said she correctly answered the question about when she had bought the car and had not been asked if the car was impounded. She registered the purchase date on the price comparison website as December 2018. She said after she bought the car she registered it in the name of someone else and put in back it her own name on 1 July 2022.

Ageas said it would not have offered a policy if it had known the car had already been seized by the police and that she had only registered the car in her name on 1 July 2022. It gave her the option to cancel the policy. She decided to cancel the policy and obtained cover elsewhere.

As Miss M was not happy with Ageas, she brought the complaint to our service. She felt Ageas should reimburse her with the cost of the alternative policy she had to buy, and the costs incurred due to the delay in insuring the car.

Our investigator did not uphold the complaint. They looked into the case and said although Ageas did not ask the specific question about if the car was impounded this was standard practice across the industry. It said impounded car insurance is a specialist policy. They said Miss M should have contacted Ageas before purchasing the policy to check the cover. They said Ageas had been fair in allowing her to cancel the policy so there was no adverse impact caused to her for future policies.

As Miss M is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## **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.

When a motor insurance policy offer is made by an insurer it is based on the information that is supplied by the consumer. Insurers then undertake validation checks on the information supplied.

In this case validation checks were instigated by Ageas on 5 July 2022 when it was contacted by Miss M and the police to confirm cover was in place for her car. It was found during this call that the car was being held in a police compound. And had been seized by the police before the car was in Miss M's name and before she obtained a quote for the motor insurance policy. At this point Ageas said it could not offer cover.

I looked at the terms and conditions of the policy. On page 28 it says;

*"Our right to cancel or void your policy*

*We and your insurer have the right to cancel this policy at any time by giving you 7 days' notice in writing. We'll tell you the reason why."*

I also looked at the welcome pack sent by Ageas to Miss M. This includes a statement of facts which details all the information provided by Miss M. Within this document, on page eight of the welcome pack it says;

*"The insurer reserves the right to decline this proposal, apply terms or to offer a policy containing restrictions on cover."*

I saw Ageas gave the correct notice of its intention to cancel Miss M's policy as per the terms and conditions of the policy. I saw the reason given was due to the car being seized prior to the policy starting and the purchase date being incorrect. It also mentioned in its cancellation notice that the car was without road tax since 2021 and the MOT had expired. The cancellation notification also said it would accept voluntary cancellation of the policy.

I have considered if the reasons given by Ageas to cancel the policy were fair.

Ageas referred to the car not having any valid road tax or MOT in its cancellation letter. I agree this is not an insurance issue. I saw Ageas apologised as it had provided her with conflicting information and paid her £50 in compensation for this.

### ***Purchase date incorrect***

In the details Miss M submitted she said she had purchased the car in 2018, But during discussions on the phone on 5 July 2022 she said she'd then given it to someone else for their use and had only registered herself as the registered user on 1 July 2022. This date is after the car was impounded and before she applied for the motor insurance policy. I think it is reasonable that Miss M should have been aware of the location of the car at the time she became the registered keeper.

Ageas said it accepted the wording on the on-line price comparison website is "*when did you buy your car*" and Miss M had given an honest answer to this. It said it understood how the question may sound misleading. It said it would feed this back to the appropriate department.

### ***Car being seized prior to policy starting***

I agree Miss M was not asked if her car was impounded when completing the on-line application. This appears to be usual across the industry as the comparison sites only offer standard motor insurance and impound insurance is specialist insurance.

Miss M said she did not know the car was impounded at the time she obtained the on-line quote and took out the policy, but it is her responsibility to ensure the details she supplied were accurate. As it was soon identified her car was impounded, Ageas said it did not offer

cover for impounded cars and the policy Miss M had purchased was not valid. I have seen Ageas's underwriting criteria, and this confirms it would not offer a policy.

After consideration I think Ageas gave Miss M appropriate notice and fair reasons of its intention to cancel her motor insurance policy. The car being already seized would result in fair cancellation of the policy in its own right. As it also gave Miss M the option to cancel the policy voluntarily, I think this was the most fair and appropriate outcome for Miss M.

I saw Miss M decided to cancel voluntarily from 7 July 2022. Ageas did not charge the cancellation fee that it was entitled to charge, and it refunded the unused premiums.

As I think the policy was fairly cancelled I do not agree Ageas are responsible for the cost for Miss M to obtain the specialist cover required for her car to be released from the police. Or for it to pay for any impound storage costs incurred by Miss M.

Therefore, I do not uphold Miss M's complaint and do not require Ageas to do anything further in this case.

### **My final decision**

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 13 September 2023.

Sally-Ann Harding  
**Ombudsman**