

The complaint

Mr C is unhappy that Alwyn Insurance Company Limited cancelled his motorcycle insurance policy.

What happened

Mr C took out his policy through a broker and he has been dealing with them during what happened and also during the complaint process. Alwyn is the underwriter of the policy and so ultimately responsible for the cancellation. For ease I will refer to all actions as being those of Alwyn.

After an accident on his motorcycle Mr C was in contact with Alwyn. As part of the process Mr C sent Alwyn a link to a website showing helmet camera footage of the accident. On the same website Alwyn viewed other videos of Mr C riding on the road. Because of what they saw in the videos Alwyn decided that Mr C no longer fitted into the category of risk that they wanted to insure and gave notice that his policy would be cancelled.

Mr C complained to Alwyn, but they didn't think they acted unfairly by cancelling the policy. So Mr C came to our service where one of our investigators looked into what happened. She thought Alwyn had reason to cancel the policy in line with their terms and that they didn't do anything wrong. Mr C disagreed so the complaint has come to me for a 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.

Mr C has provided a lot of information about his complaint. He clearly feels strongly about what happened and the circumstances around how the cancellation came about. I want to reassure Mr C that I've read and considered everything he has provided, even if I do not mention all the detail. I've condensed all the information into a brief summary which reflects the informal nature of our service. I'm satisfied I understand the crux of the problem which is that Mr C is unhappy with the policy cancellation.

Insurers are free to decide what risks they want to take under an insurance policy. They are also free to decide what risks they do not want to take under the policy. Here Alwyn has decided, due to information received during the term of the policy, that they no longer wanted to offer a motorcycle insurance policy to Mr C. As the underwriter of the policy, and therefore the business accepting the risk, Alwyn are entitled to do this.

Mr C's policy says that Alwyn may cancel the policy at any time giving at least seven days' notice. I see that Alwyn gave the seven days' notice of the cancellation as required.

The policy also says that Alwyn will give a reason for the cancellation. I can see they've done this by saying Mr C no longer fitted the category of risk they wanted to insure.

So I'm satisfied that Alwyn acted in line with the policy terms when issuing the cancellation.

It's clear the relationship between Mr C and Alwyn has broken down. There were a lot of emails and phone calls between Mr C and Alwyn. Looking at the evidence I'm satisfied that Alwyn dealt with Mr C fairly, especially considering the amount, and tone, of correspondence.

When the policy was cancelled there was an outstanding amount of just over £50 for Mr C to pay. This amount has been waived which I think is fair under the circumstances, especially so due to the way in which the relationship between Mr C and Alwyn broke down.

There wasn't one incident that led Alwyn to cancelling the policy. There was an accumulation of information about Mr C's motoring activities that led Alwyn to say he no longer fitted the risk they wanted to insure. Considering all of the circumstances, I'm not going to interfere with the decision to cancel the policy.

My final decision

For the reasons I've explained above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 August 2020.

Warren Wilson
Ombudsman