

The complaint

Mr M complains about the sales process with One Call Insurance Services Limited (“One Call”) which he feels led to his application for a motorcycle insurance policy being declined.

What happened

Mr M applied for an insurance policy for his motorcycle using a price comparison site. Mr M went through the sales journey with One Call but his application for a policy was declined. Mr M complained and One Call responded and explained, following Mr M’s application, the details came through to their validation team who check over the cover to make sure all details were correct prior to the cover being set up. One Call said, their checks revealed Mr M had a previous policy cancelled which they weren’t informed about. And the checks also showed Mr M didn’t reside at the address given. One Call said the insurer has the right not to accept any cover so, due to these reasons, the cover wasn’t processed. Mr M says he didn’t know about the previous policy being cancelled and, during the sales journey, he was never asked why he’d chosen the address he did.

Our investigator looked into things for Mr M. He thought One Call hadn’t acted unfairly during the sales journey. Mr M disagreed so the matter 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.

Having done so, I’ve decided not to uphold the complaint. I understand Mr M will be disappointed by this but I’ll explain why I have made this decision.

I think it’s important to firstly make clear the role of various parties in insurance. When taking out insurance, a customer will often communicate with an insurance intermediary who is responsible for arranging, selling and administering the policy – often this will be a broker. In this case, the broker is One Call. The insurer is the business which underwrites the policy and it’s their decision on whether to offer cover or not. It’s important to note however that the information required by an insurer to decide whether to provide cover is generally based on information collected by a broker during the sales process – and that’s what has happened here. One Call have collected information and this has been used by the insurer to make a decision on whether to provide Mr M with an insurance policy.

I understand Mr M is very upset and frustrated at what has happened here. He followed a sales journey with One Call and was given a quote – which he accepted. He then received notification to say his application had been declined. Mr M says he had to keep asking for the reasons and was then told he had a previous policy cancelled and he didn’t reside at the address he had given. Mr M says he isn’t aware of a policy being cancelled or previously being declined insurance. And, he says he wasn’t asked to confirm what address he would be living at.

Mr M says he's been left in a position now where he has to declare the insurer in this case has declined insurance – and this has made it difficult for him to shop around for a competitive policy. So, the resolution Mr M is looking for is to receive evidence that he has previously had insurance declined or a written statement from One Call or the insurer in this case to say, although they've declined cover, they've made an error and Mr M won't need to declare this when obtaining quotes in the future. Mr M also says he wants systems to be put in place to ensure this doesn't happen to any other customers.

After Mr M submitted his application, I can see One Call carried out verification checks. This isn't uncommon or unusual and brokers will do this to ensure the information they have available from a range of databases validates the information a customer has provided. One Call have provided me with confidential business sensitive information showing the checks they carried out and the results. I'm afraid I can't share this with Mr M because it's commercially sensitive, but I've checked it carefully. And, I'm satisfied they do support the reasons they've given to Mr M in their complaint response.

There's a range of checks and a tick or cross denotes whether the check has passed or failed. I acknowledge Mr M would like to know which previous insurer cancelled or declined a policy, but the information doesn't show this – only a record to say this has happened. In relation to the address, One Call have provided information showing what information feeds into the check and the result. I understand Mr M says he wasn't asked about where he will be living but we don't have the power to direct a business to change their processes or tell them which questions should be asked during a sales journey. I understand Mr M wants One Call's processes to be changed but, as mentioned, we don't have the power to direct a business to change their processes.

Mr M says it's not the refusal of the policy that's an issue here but, he feels, once a quote has been offered and accepted, a business shouldn't be able to refuse insurance without providing a reason and with proof. I can see Mr M asked One Call during a live chat why he'd been refused insurance and they explained their validation team don't disclose this as it can lead to quote manipulation. It's clear from the transcript of the live chat that Mr M was frustrated at not being told the reasons for the decline. But, this information is commercially sensitive and can lead to quote manipulation if shared. I wish to reassure Mr M that I'm absolutely not suggesting that's his intention here, but rather, I'm explaining why it's not unreasonable for a business to refuse to supply such information and the risk of sharing this with the wider public.

I do understand Mr M says he gave an honest and truthful account of his details and feels it's unfair that he should be allowed to accept a quote and then declined cover. I do acknowledge Mr M's point but the decision to decline follows the verification checks carried out by One Call – and these were carried out after Mr M applied for the policy. A broker generally won't carry out these checks until after a customer has applied for a policy, so I can't say One Call have made an error here when their sales journey led to a quote. As mentioned above, I can't say One Call have made an error in how they processed the application and carried out their verification checks. They provided Mr M with the insurer's decision and, while One Call aren't responsible for the decision itself, the information shows they passed on the correct information to the insurer for them to make a decision. I understand Mr M will be disappointed, and I do acknowledge why he's upset about not being given more specific information about the reason for declining cover. I acknowledge any customer will want to know more detail, particularly as Mr M says he has been honest and truthful when providing his details. I don't doubt that Mr M has been truthful, but the decline follows the verification checks carried out by One Call – and I can't say they processed this information unfairly or passed on incorrect information to the insurer.

I wish to reassure Mr M I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 April 2023.

Paviter Dhaddy
Ombudsman