

## The complaint

Mr B complains that One Insurance Limited avoided his commercial van insurance policy (treated it as though it never existed) and refused to pay his claim.

## What happened

Mr B took out a van insurance policy through a broker online via a comparison website. The insurer of the policy is One Insurance Limited. Mr B's cover started in January 2021. His policy automatically renewed in January 2022 and January 2023.

In November 2023 Mr B made a claim after his van was involved in an incident with another vehicle. Mr B says he wasn't at fault for the incident. At the time of One Insurance responding to Mr B's complaint, liability was still being investigated.

One Insurance said Mr B hadn't told it about a change to his driving history when he renewed his policy. And it considered this to be a misrepresentation, which entitled it to avoid the policy and not meet the claim.

Mr B brought his complaint to us and our Investigator thought it shouldn't be upheld. She found One Insurance had acted in line with the policy and the relevant law, being the Insurance Act 2015, when reaching its decision.

Mr B didn't agree. He hasn't provided any new information, but he says One Insurance's decision and the view reached by the Investigator is causing him stress and illness. So the case 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.

The relevant law in this case is The Insurance Act 2015. The act says a commercial consumer has a duty to make a fair presentation of the risk to the insurer when taking out a policy. This means they have to disclose either:

- everything they know, or ought to know, that would influence the judgment of an insurer in deciding whether to insure the risk and on what terms; or
- enough information to put an insurer on notice that it needs to make further enquiries about potentially material circumstances.

On 24 December 2021, One Insurance wrote to Mr B to tell him his policy was due for renewal. One Insurance wrote:

*"Fair representation of data*

*If your circumstances, or any other material information, has changed during the last year you must advise us before you renew your policy. If you do not, this may result in your insurance being invalidated or any claims rejected. If you are in doubt about whether something is relevant, you should ask us. You must give us the new information by live chat, phone or in writing.*

*Examples of material information that should be disclosed to us includes but not limited to:*

- *A change to any of the facts shown in on your insurance statement of facts form.*
- *Modifications to any component of your vehicle (especially wheels, engine or bodywork).*
- *A change in the occupation of any driver.*
- *Any convictions for any driver (including pending or fixed penalty offences).*
- *The onset of health problems or medical conditions*
- *Any losses, accidents or claims when driving this or another vehicle. (whether or not you made a claim).*
- *Any losses, accidents or claims made by you or any other driver, on this or any other insurance policy. (whether or not you made a claim).*
- *Any new drivers*

Mr B renewed his policy in January 2022 with no changes. When Mr B renewed his policy again in January 2023, One Insurance wrote to him on 23 December 2022, and a week before the renewed policy started, on 16 January 2023. On 23 December 2022 One Insurance repeated the same information about 'Fair Representation of Data' to Mr B as it did on 24 December 2021.

And on 16 January 2023 when confirming the renewal, One Insurance wrote;

*"It is your responsibility to ensure that the information you've provided is correct. Any errors could result in your insurance premium being increased or a claim rejected or only partially paid at a later date.  
If any of your details are incorrect - you can make changes to your policy in your account on our customer portal."*

So I think One Insurance made it clear that it needed Mr B to tell it of any material changes at each renewal, such as accidents, claims or convictions – and the potential consequences if he didn't.

When One Insurance investigated the claim Mr B made in November 2023, it discovered there was an undisclosed speeding offence from August 2021 and a 'fault' claim from December 2021.

Mr B said he contacted One Insurance via live chat between Christmas 2021 and New Year 2022 to advise it of the changes. But One Insurance Limited has provided a copy of its contact notes and there is no record of contact from Mr B at this time. As the Investigator explained, it is possible Mr B made contact with the broker. He will need to contact the broker direct about this.

When One Insurance provided its policy wording at renewal, it also provided a Statement of Fact. This set out the driving history Mr B provided in January 2021.

It was for Mr B to let One Insurance know of any changes – in line with the policy and the reminders One Insurance gave in the letters above.

One Insurance says it has no record of Mr B telling it about the incident and speeding offence. So when Mr B renewed his policy, it was based on incorrect information as Mr B's driving history had changed.

One Insurance has provided its underwriting criteria to this service. All insurers have this and it is individual depending on their appetite for risk. This is why we see a wide range of prices for insurance based on the same information on comparison websites.

Although this is commercially sensitive information, we ask for this information when an insurer says it wouldn't have offered cover at all – or would have changed the terms – so that we can check an insurer has treated a customer fairly.

I'm satisfied, having reviewed their underwriting criteria, that One Insurance wouldn't have offered a policy to Mr B at renewal following the incident in December 2021.

So this means I think One Insurance was entitled to avoid the policy (treat it as though it never existed). And so it follows that as the policy didn't exist at the time of the incident in November 2023, One Insurance reasonably rejected the claim. So Mr B isn't indemnified by One Insurance for the costs of the claim.

As at the time of responding to the complaint, One Insurance had an open claim. While there is an open claim, an insurer is entitled to retain the premium until it is in a position to settle it. If One Insurance deals with a third party claim, it can retain the premium paid as it has met its obligations under the policy.

I understand Mr B is very upset with One Insurance Limited's decision. But in light of what I've seen, I think it has acted in a fair and reasonable way. So this means I'm not asking it to reinstate Mr B's policy or meet his claim.

### **My final decision**

For the reasons set out above, I've decided not to uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 August 2024.

Geraldine Newbold  
**Ombudsman**