

complaint

Mr P complains that Zenith Insurance plc acted unfairly by voiding his motorcycle insurance policy after he made a claim on it.

background

In March 2017 Mr P's motorbike was stolen from outside the address where he was staying that night. When Zenith considered the claim, it found that Mr P's motorbike wasn't usually garaged at his home address. It was kept in a locked communal courtyard instead. Zenith said had it been aware of the facts it wouldn't have offered cover to Mr P in the first place. It cancelled the policy as though it had never existed and refunded the premium to Mr P.

Mr P said he didn't give Zenith any false information. In his view the locked courtyard was as secure as a garage. He said any misrepresentation on his part was innocent. And the motorbike wasn't stolen from his home address anyway. He said the effect on him of the voidance was disproportionate. He said it would affect all his future insurance premiums adversely. In Mr P's view, other insurers would have acted differently.

Our investigator thought Zenith had acted reasonably. Mr P asked for a review of the complaint by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

When Mr P was asked a clear question by the broker about whether the motorbike was garaged, he gave the wrong answer. Zenith's underwriting criteria states that a motorbike must be garaged in the area where Mr P lives. So had Mr P said his bike *wasn't* garaged, the quote from Zenith wouldn't have become available for the broker to offer to him.

Mr P thinks keeping the bike in a locked communal courtyard satisfies Zenith's criteria. I don't think that's correct. Zenith set out the situation fully in its policy endorsement. It said Mr P had agreed to keep the bike in a locked garage or building *to which only he – or someone with his permission - had access*. There's more risk to a motorbike when others, not known to a policy holder, have access to the place where it's kept.

Other insurers may have different underwriting criteria. But Zenith's entitled to decide what risks it wants to take. I think it's shown it wouldn't have offered cover to Mr P had it known the facts. And I don't think it matters where the motorbike was stolen from. If the insurance contract never existed, the claim was never going to be covered anyway.

Mr P's asked about whether the voidance was proportionate. I think he's referring to something that doesn't apply in this case. There are situations where an insurer would still have offered cover to a policy holder had it known about a fact that wasn't disclosed – but for a higher premium. In that case, it's usual for the insurer to pay a proportion of the claim - in line with the proportion of the correct premium the policy holder's actually paid. But that isn't relevant here, as Zenith would never have offered Mr P cover at any price.

Zenith thought Mr P didn't take reasonable care to avoid misrepresenting the facts. It didn't think he'd done so deliberately and it returned the premium to him. I appreciate that the

voidance will have a long-term effect on Mr P's future premiums. I can see why he's so upset about that. But I don't think Zenith acted unreasonably in the circumstances.

Mr P says Zenith wants to charge him for its investigation costs. This issue wasn't a part of Mr P's original complaint. As far as I can see, it hasn't been raised with Zenith, so it isn't something I can address here.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 20 November 2017.

Susan Ewins
ombudsman