

complaint

Mr N has complained that a broker Saga Services Limited (Saga) was responsible for the cancellation of his motorcycle insurance policy by the insurer.

background

Mr N bought a motorcycle insurance policy through a broker, Saga. The insurer asked for verification documents. When the insurer received them, they discovered that Mr N lived in England to work for between 3 and 5 days a week – but then returned home to Northern Ireland where he and his family lived. When he travelled back to Northern Ireland, his bike was parked at an airport.

The insurer said it didn't provide cover for more than one address. So it instructed Saga to cancel the policy on their behalf.

Saga gave Mr N notice of cancellation and a week later it cancelled his policy.

Mr N complained to Saga. He said it didn't ask him if he had more than one address when he bought the policy. He believes it should have done this and if it had, the cancellation could have been avoided.

But Saga said it acted correctly.

Mr N asked us to look at his complaint. He said he hadn't received any refund for the premium he paid under the cancelled policy. He said he'd received conflicting information from Saga as to whether he needed to tell future insurers about the cancelled policy.

Our investigator initially thought Saga had acted unfairly. He thought Saga should have given Mr N the option when he bought the policy to declare a second address. So he recommended Saga pay Mr N £100 compensation for the distress and inconvenience it had caused him.

Saga didn't agree. It said it doesn't offer a service for dual addresses as its panel of underwriters don't provide cover for these circumstances. It said if Mr N had explained his situation at the time, Saga would have told him it couldn't arrange cover for him.

Saga said it issued a refund for the balance premium to Mr N on 20 November 2018. This was a week after it cancelled his policy. Saga said it didn't charge Mr N a cancellation fee.

Our investigator issued a second view. He thought Saga hadn't done anything wrong. Mr N's circumstances were unusual. We wouldn't expect a business to tailor its questions around every limitation. The investigator didn't think Mr N had purposefully hidden where his motorbike was kept. But he didn't think Saga had been unreasonable.

Mr N's complaint against the insurer is being dealt with separately.

In December 2019 Mr N didn't agree as he said there were factual inaccuracies. In January 2020 he said he intended to provide us with further information to explain why.

As we haven't heard from Mr N, the case has been passed to me to decide.

my findings

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 don't intend to uphold it.

When Mr N bought this policy, the question Saga asked him was where he kept his motorbike overnight. Mr N provided the address he used in England. When Mr N provided a copy of his driving licence, the insurer noticed this was registered to his Northern Ireland address.

I don't think Mr N has misrepresented his information – but I also don't think Saga did anything wrong. Mr N's circumstances are unusual and I don't think Saga was unreasonable not to ask every consumer if they had more than one address. A broker generally asks questions concerning the main aspects of the risk and wouldn't be expected to tailor questions around all of the limitations of an insurer's underwriting guidance. In this case, Saga explained that the questions were set on behalf of a panel of insurers Saga arranges cover with. It said none of the insurers on the panel would provide cover for dual addresses.

It was the insurer's decision not to accept the risk. So I can't consider the actions of the insurer in my decision against Saga.

Saga said it refunded £51.56 to Mr N on 20 November 2018.

A decision as to whether to record a cancellation is made by the insurer. So that doesn't form part of my decision.

I understand the cancellation of Mr N's policy will have caused him some inconvenience. I think this was unfortunate - but I don't think Saga is responsible. As the insurer instructed the cancellation, I think Saga acted reasonably. And as Saga didn't charge Mr N a cancellation fee and issued a refund of premium in good time, I don't think it needs to do any more.

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 N to accept or reject my decision before 6 May 2020.

Geraldine Newbold
ombudsman