

complaint

Mr W has complained about Southern Rock Insurance Company's decision to cancel his motorcycle insurance policy. His father Mr S is representing him in his complaint.

background

Mr W bought a motorcycle insurance policy through a broker. The underwriter of the policy is Southern Rock. Mr W's policy excluded cover for using his bike for commuting to and from work. Mr W said he was unemployed when he bought his policy.

Mr W changed vehicle and shortly after was involved in an accident with another vehicle. When he reported the incident via his broker, Southern Rock said it wouldn't indemnify the claim. Mr W had been driving to work at the time of the incident, which was outside the cover of his policy.

Southern Rock decided to cancel Mr W's policy. After Mr W complained, it said it wouldn't record the cancellation on any databases. And it later agreed to reinstate Mr W's policy.

Mr S brought his complaint to us as he wasn't satisfied with Southern Rock's reply. Mr W didn't reinstate his policy Mr S had been advised that the change to Mr W's occupation actually made him a lower risk. He felt Southern Rock had been too hasty and harsh in deciding to cancel his son's policy, particularly as he was found not to be at fault for the incident. And he said their customer service was poor.

The adjudicator who investigated the complaint didn't recommend it should be upheld. She considered Mr W's explanation for not telling Southern Rock when he changed the use of his bike. But she still felt Southern Rock was entitled to cancel his policy.

She felt Southern Rock could've reached its decision sooner as Mr W had sent it what it asked for promptly. But it had responded appropriately when contacted by Mr W and Mr S. Mr W had use of a hire bike while the claim was being investigated whereby the third party admitted liability. She felt Southern Rock's offer to reinstate the policy and not record the cancellation was reasonable.

Mr S didn't agree. He feels Southern Rock's reaction was over zealous. It was only because he complained that changed the outcome for the better. Cancelling his son's insurance policy and recording the cancellation was serious. His son wasn't at fault for the incident. Mr S feels we are letting them off.

So he wants an ombudsman 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.

Mr W has also complained about the service he received from the broker. This doesn't form part of my decision here about his complaint against Southern Rock. If Mr W wants a final decision against the broker, he will need to let the adjudicator know.

When a policy is cancelled, we look at whether the insurer or underwriter reached its decision reasonably and in line with the policy.

Mr W's Motor Insurance Certificate clearly stated that he was excluded for cover if he used his vehicle for commuting to and from work. And his policy documents have a specific section highlighting when Mr W must contact his insurer or broker as certain changes might affect his cover. In this section of changes it lists;

"You or anyone covered by this policy ceasing or changing jobs, or starting a new job, including any part-time work."

Because Mr W didn't tell Southern Rock about the change, his policy didn't provide cover for the incident as he was commuting when the incident happened. So it isn't relevant as to whether Mr W was a lower risk for Southern Rock because his occupation changed. And it doesn't make a difference that Mr W was found not at fault for the incident.

However, where a customer hasn't notified an insurer of a change, we look at whether the customer was deliberate or careless in its actions. In this case, I don't think Mr W deliberately set out to mislead Southern Rock. He says he was unemployed when he bought the policy. So if the cancellation had held, we might have decided this was unfair.

But Southern Rock offered to reinstate the policy and didn't record the cancellation on any internal or external databases. I appreciate Mr S says this only happened because he complained on his son's behalf. But we look at each case on its own merits, and we consider what happened, rather than what might have happened.

The adjudicator asked Mr S what Mr W wanted to resolve his complaint. Mr S said he wanted Southern Rock to be brought to book by its regulators and this was never about receiving compensation.

Our role is to resolve complaints informally between businesses and customers. So we don't regulate businesses or punish them, as the adjudicator explained. Southern Rock is regulated by the Financial Conduct Authority.

What Southern Rock offered to put things right is in line with what we would have asked it to do if we'd upheld Mr W's complaint. Mr W chose not to reinstate his policy with Southern Rock for the reasons Mr S has explained. And I understand he may be disappointed with my decision. But overall I think Southern Rock did enough to resolve Mr W's complaint. I say this because it would have put Mr W back in the position he would have been - if he'd told it about the change of use. So I'm not asking it do anymore.

my final decision

For the reasons I've given above, 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 W to accept or reject my decision before 9 October 2017.

Geraldine Newbold
ombudsman