

## **complaint**

Mr J complains that One Insurance Limited (One) cancelled his motor insurance policy from the start. He wants it to reinstate his policy.

## **background**

Mr J took out an insurance policy through an online comparison site. But he didn't disclose his and the named driver's previous motor claims during the application process. Mr J was later involved in a road accident. One then validated the policy and it discovered that Mr J had previous motorcycle and car claims. One asked him for an explanation for the undisclosed claims. As the explanation wasn't sufficient, One said that it wouldn't have offered a policy had it known about the claims. It cancelled the policy from the start (voided it).

Mr J felt that One could have charged an additional premium rather than void the policy. He maintained that the non-disclosed car claim was a mistake as he had disclosed it to his previous insurers. He said that he was unaware that he had to disclose his motorcycle claims.

Our adjudicator didn't recommend that the complaint should be upheld. She thought that One hadn't acted unreasonably as it had asked a clear question about previous claims. She thought that Mr J had induced One into providing a policy it wouldn't have otherwise offered. One said it would refund Mr J's premiums, but it hadn't done this over a year later. The adjudicator recommended that One refund the premium and pay Mr J interest on the returned premium from after six months since the policy was voided.

Mr J replied that he thought it was unfair that his policy was voided.

## **my findings**

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

I can understand that Mr J feels disappointed and frustrated by One's decision. He says that he didn't know that he had to disclose his motorcycle claims and forgot the named driver's fault claim. The result is that his premium has now trebled in price. He says that One's response is disproportionate and has penalised him excessively.

The adjudicator has explained our approach where a complaint arises from non-disclosure of information important to an insurer. We look to see that it asked a clear question when the policy was taken out. We check that the information given would affect whether a policy was offered. And we check whether the informant has acted carelessly or deliberately in making the non-disclosure.

I've seen the question about previous claims that Mr J was asked when he took out the policy. This asked him about any motor accidents or claims in the last five years. A pop up box is provided to help answer the question when you answer yes or no. This said that Mr J needed to include any claims in any vehicles. I think that that this should have prompted him to include any motorcycle claims. I think that One wanted to know about his claims history in all vehicles and that a clear question was asked about this.

I've looked at One's underwriting criteria and I think that if it had known of Mr J's claims history, then it wouldn't have offered him cover. I think that One's decision to void the policy wasn't unreasonable. I don't think it needs to reinstate it.

One didn't think that Mr J had deliberately non-disclosed the previous claims. It therefore agreed to return his premium. But it has delayed doing this because the last accident Mr J was in involved another driver. It said that it was waiting in case a claim was made.

Our approach is that it's reasonable for it to retain the premium for six months in such a case. I think that One has kept it for too long and this has caused Mr J some loss. I think that it should reasonably refund the premium and pay Mr J interest on the sum for the time it kept the premium since six months following the accident. I can see that One has had the opportunity to comment on this but hasn't done so.

### **my final decision**

For the reasons I've discussed, it is my final decision that I uphold this complaint in part. I require One Insurance Limited to refund Mr J's premium adding interest at 8% simple from 1 January 2015 to the date of the refund (less tax if properly deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 20 November 2015.

Phillip Berechree  
**ombudsman**