

complaint

Mr C's unhappy that Society of Lloyd's (trading as Lloyd's of London) cancelled his motor insurance policy from the start after he made a claim.

background

Mr C insured two motorcycles. He'd a garaging endorsement on his policy. One was stolen while parked on a public road near Mr C's home. He made a claim on his policy. During calls Mr C confirmed he usually stored his motor cycle in a public hospital car park rather than in a secure garage on his property as he'd said was the case when he took out the policy. The underwriters said that if they'd known this they wouldn't have given him the insurance in the first place. And they cancelled his policy from the start ("voided" it), returned his premium and refused to deal with his claim.

Lloyd's of London said in its final response that Mr C had said in the calls setting up the policy that his motorcycles would be kept at a locked brick built garage at his home address. But Mr C didn't have a garage at this home address. The motorcycles were in fact stored in a hospital's underground car park about a mile away from his home. This was in contravention of the garaging endorsement on his policy. If it'd known this it wouldn't have given him the policy in the first place. So, it voided the policy and wouldn't deal with the claim.

Our adjudicator felt this complaint shouldn't be upheld. She said:

- When Mr C took out the policy he was asked if the motorcycle was garaged at his home address. He replied "*correct*". When he said he wanted to add a second motorcycle he was asked if it would be housed in the garage as well and he replied "*yeh*". And when he called back the next day to pay he confirmed these details were correct and the broker said he'd declared the motorcycles would be kept in a locked brick built garage at his home address. Mr C replied "*correct*".
- Mr C confirmed over two calls on two separate days that his motorcycles would be stored in a locked brick built garage at his home address.
- The policy documents also highlighted the need to provide accurate answers to questions. And warned of the consequences of failing to do so including cancellation of the policy and rejection of claims. They also asked Mr C to check the details and documents were correct.
- The Statement of Fact document confirms both motor cycles would be kept in a garage at Mr C's home address. And the policy schedule says they will be kept in a locked building at Mr C's home address. An additional endorsement document also confirms the "*garaged vehicle requirement*" which said they must be kept in a locked garage at Mr C's address and if stolen within 500 metres of his home address no theft claim would be paid.
- Mr C was given sufficient and appropriate information about the policy and had ample opportunity to correct any information he'd previously given that wasn't accurate.

- Lloyd's of London has shown it wouldn't have provided cover if it'd known Mr C's motorcycles wouldn't be stored in a locked garage at his home address or an address declared and approved when the policy was taken out. So, its decision to void Mr C's policy, return his premiums and decline his claim wasn't unfair or unreasonable.

Mr C remains unhappy and has asked for an ombudsman review. In summary he says Lloyd's of London has acted unfairly.

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 C has provided detailed submissions about this complaint. I've read and considered them all. But my findings are expressed in considerably less detail. And they focus on what I think are the main and relevant issues.

I agree with the adjudicator's conclusions for the same reasons.

As the adjudicator's said for Lloyd's of London to cancel Mr C's policy from the start ("void" it) it must show clear questions were asked when the policy was sold and that Mr C provided inaccurate information in response. It must also show that if it'd been given the correct information it wouldn't have offered cover to him.

Here Mr C was asked clear questions during the calls when he bought the policy. Mr C says his answers were careless but as the adjudicator's pointed out his answers were clear. He said and confirmed a number of times that his motorcycles would be garaged in a locked garage at his home address. That wasn't correct. He also had the opportunity to correct any incorrect information in these calls and when he was sent the policy documentation. But he didn't do so.

The policy documents, statement of facts and "*garaged vehicle requirement*" endorsement also adequately drew his attention to the need to give accurate information and the possible effects of not doing so. They also set out the specific terms and conditions of the policy including the garaging requirements.

Lloyd's of London has also demonstrated, and I have no doubt, that if it'd been told the true position about the parking arrangement for Mr C's motorcycles it wouldn't have issued the policy to him. That decision was made in line with its general underwriting criteria.

Taking everything into account I think Lloyd's of London was entitled to cancel Mr C's policy from the start, refund his premium and not deal with his claim. It's acted fairly and reasonably. And I don't think I can fairly require it to now deal with Mr C's claim as he'd like.

Mr C has referred to a summary of a Supreme Court judgement he says is relevant and supports his case for his claim to be paid. I don't agree, not least as it comments on an ongoing insurance claim but here there is no claim as Mr C's policy was cancelled from the start.

Overall, although I recognise Mr C's strength of feeling and frustration, I think the adjudicator's proposed resolution of this complaint is fair. And I don't see any compelling reason to change the proposed outcome in this case.

my final decision

I don't uphold this claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 September 2017.

Stephen Cooper
ombudsman