

complaint

Mr S is unhappy that MCE Insurance Company Limited has refused to pay his claim for the theft of a motorbike and has voided (cancelled) his insurance back to when it started.

background

Mr S took out insurance with MCE through a price comparison website. MCE says that on his application he stated that he had a full UK motorcycle licence. MCE wouldn't have provided a quote for cover if Mr S had stated he had anything other than a full UK licence.

Mr S unfortunately had his motorbike stolen. On making a claim, MCE found that Mr S didn't have a full UK licence. It declined his claim and voided his policy back to the date it started. It also retained his premium, stating that he'd misrepresented his licence status and that it thought that he'd done this either deliberately or recklessly.

Mr S has told us that he didn't say when he filled in the webpage that he had a full UK licence. He says he said he didn't have a licence. And that he spoke to an MCE representative who said that it would be fine that he didn't have a licence as he only wanted cover for theft. MCE has said that theft cover only was not an option on the price comparison website. The options were comprehensive; third party, fire and theft; and third party only.

Our investigator didn't recommend that Mr S' complaint be upheld. She didn't think that MCE had acted unreasonably in deciding that Mr S acted deliberately or recklessly in misrepresenting his licence status in order to obtain cover.

Mr S didn't agree. And the matter has been passed to me for a decision.

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 appreciate why Mr S is upset at being accused of deliberately or recklessly misrepresenting his licence status to MCE. Given the serious allegation involved here, we've carefully checked that MCE has been able to show that Mr S was more likely than not deliberate or reckless in his actions when applying for the insurance.

In my findings below, I'm not saying that I can be 100% sure that Mr S intended to mislead MCE or was reckless. But in deciding this complaint, I must determine what is more likely than not to have happened. And I've concluded that Mr S' complaint isn't one that I can uphold.

When looking at a complaint involving deliberate or reckless misrepresentation, I must be satisfied that Mr S was asked a clear question; that MCE has shown that he more likely than not deliberately or recklessly answered it incorrectly; and that MCE wouldn't have offered Mr S insurance if he'd answered the question correctly.

MCE has provided us with the data it received from the price comparison website. And this shows that in answer to what I consider to be a clear question, Mr S ticked the box that he had a full UK licence. MCE has shown us that Mr S applied for multiple quotes at the time,

for different levels of cover. And in each of these he ticked the box that he had a full UK motorcycle licence.

When MCE accepted Mr S' application, it provided him with a statement of fact that set out the answers to the questions it had asked. This showed he'd answered that he had a full UK licence. MCE asked Mr S to check if this was correct. The documents were available on MCE's website, although Mr S said he'd had trouble accessing this. But I'm satisfied that the documents were available for him to review and it was his obligation to check them and let MCE know if anything was incorrect.

MCE and the price comparison website have no records of Mr S speaking to any of their agents. Although Mr S says he thinks he did. The quote that Mr S received states that it was for insurance from MCE for full UK licence holders. Below that it says that if you have a provisional licence, it couldn't quote at the time. It also gave a couple of lists of insurers who were not prepared to quote for those having either an EU licence or an international licence. MCE are on both those lists. So I think it should have been clear to Mr S that he'd received a quote available to full UK licence holders only.

Mr S had cover for social, domestic, pleasure and commuting use. He originally told us that he didn't intend to use the bike and only wanted cover for theft. That's what he said he'd also told MCE's representative when he spoke to them at the time he got the insurance. Mr S has since told us that he wanted 'compulsory' cover by which I understand he means 'comprehensive'.

I can't say for certain that Mr S didn't speak to anyone at either MCE or the price comparison website provider. But there's no record of a call being made; and the price comparison website has told us it wouldn't discuss quotes, instead preferring to refer customers to the quoting broker or insurer. So, it's my finding that there isn't enough evidence to prove that a call took place.

I've however listened to Mr S' first call to MCE after the theft. He said that he'd been using the bike. It was stolen from an address that wasn't his home. And Mr S said that he'd been travelling there to do some work. So, it's my finding that Mr S had been using the bike, even though he didn't have a licence allowing him to do so.

Given my findings above, it's also my finding that Mr S more likely than not intended to use the bike when he took out the insurance. He'd therefore have needed cover for driving, rather than just theft in any event. And that's what he took out in his application.

MCE has told us that it wouldn't have provided cover to Mr S if it had known he didn't have a full UK licence. It's provided confirmation of this from its product manager. The only way that Mr S could get cover from MCE was to state on the price comparison website that he had a full UK licence. So I'm satisfied that MCE wouldn't have offered Mr S cover if he'd correctly said that he didn't have a licence.

So, in conclusion, given my findings above, I don't think that MCE acted unreasonably in refusing to pay Mr S' claim and voiding his policy back to the start. I'm satisfied that MCE has shown that Mr S more likely than not acted deliberately or recklessly when providing his licence status. And so MCE was entitled under the relevant law to retain Mr S' premiums.

my final decision

For the reasons given above, I don't uphold Mr S' complaint and I won't be requiring MCE Insurance Company Limited to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 November 2019.

James Kennard
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