

The complaint

Mr B complains that QIC Europe Limited mishandled his claim on his van insurance policy.

Where I refer to QIC, I include claims-handlers and others insofar as I hold QIC responsible for their acts or omissions.

What happened

The subject matter of the claim and complaint is a van first registered in 2015. Mr B acquired the van on about 5 September 2021.

Mr B went online and used a price comparison website. For the year from 6 September 2021, Mr B took out a policy for the van. QIC was the insurance company responsible for dealing with any claim.

Unfortunately, on about 7 September 2021 Mr B reported that the van had been stolen.

On 24 September 2021, QIC interviewed Mr B. On 4 October QIC received a report.

On about 15 October 2021, QIC decided that – when he'd taken out the policy - Mr B had made misrepresentations.

On about 18 October 2021, Mr B complained to QIC about delay in dealing with his claim.

On about 21 October 2021, QIC told Mr B it was treating the policy as void from the start. It said it wouldn't pay his claim. QIC returned the premium Mr B had paid. Mr B complained to QIC about that outcome.

By a final response dated about 27 October 2021, QIC turned down his complaint. Mr B brought his complaint to us without delay.

Our investigator recommended that the complaint should be upheld in part. She referred to Consumer Insurance (Disclosure and Representations) Act 2012 ("CIDRA"). She thought that QIC had made a reasonable decision to treat the policy as void and not to pay the claim.

However, the investigator thought that QIC could have dealt with Mr B's claim and the avoidance faster. She thought that waiting for the outcome of his claim would've been frustrating and upsetting. She recommended that QIC should pay £100.00 in compensation.

Mr B disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- He doesn't consider the van was modified.
- The comparison site defaulted his occupation to bus driver.

- He didn't get the policy documents in time to check them.

What I've decided – and why

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

Mr B accepts that he had been involved in a non-fault claim in February 2019.

From the photographs, I find that someone other than the manufacturer had carpeted the interior of the van and added a side window and a television monitor.

When he took out the policy, Mr B was employed as a driver collecting waste cooking oil.

From the statement of fact, I see that Mr B said he would use the van for social domestic and pleasure purposes. So I don't think he was using it for his employer's business or any business of his own.

QIC asked a question about his occupation. Mr B answered that his occupation was a 'bus driver' in the industry of 'public transport.' That wasn't correct.

As Mr B must've known he wasn't driving a public service vehicle, I find that he hadn't taken reasonable care to avoid making a misrepresentation about his occupation. I consider that he must take responsibility for his answer even if it was suggested by the comparison site.

QIC asked the following question about accidents and claims:

"Have you or any person who may drive been involved in any accident, claim or loss (including loss by fire, theft or malicious acts), irrespective of blame, during the past three years?"

Mr B answered that he had no such accidents or claims. That wasn't correct. He'd been involved in the claim in February 2019.

As only about two and a half years had passed, I find that he hadn't taken reasonable care to avoid making a misrepresentation about the accident.

QIC asked the following question about any modification of the van:

"Has your vehicle been modified, altered or adapted in any way from the manufacturer's standard specification, including any manufacturer or dealer fitted options, whether or not performance is altered, or do you intend to alter it later?"

Mr B answered that there were no modifications. That wasn't correct.

As he should've known that his van wasn't manufactured with, for example a carpeted load bay, I find that he hadn't taken reasonable care to avoid making a misrepresentation about modifications.

CIDRA imposes a duty on a consumer to take reasonable care to avoid making a misrepresentation at the time of taking out a policy. Whilst we expect insurers to send policy documents to the consumer, there is no period of grace for a consumer to correct any misrepresentation. So the timing of the receipt of documents doesn't make any difference to the outcome of this complaint.

I accept QIC's underwriting evidence that it wouldn't have insured Mr B if he'd said he was a collection driver. So under CIDRA, Mr B had made a "qualifying misrepresentation" of his occupation. As QIC wouldn't have insured him, I don't find that QIC treated him unfairly by saying that the policy had been void from the start, so it wouldn't pay his claim.

So – whilst I understand the scale of Mr B's loss - I don't find it fair and reasonable to direct QIC to treat the policy as valid or to meet the claim.

But I consider that QIC could've acted more swiftly to manage Mr B's expectations of what was likely to happen with his claim. And I accept that this caused Mr B some extra disappointment at an already difficult time for him.

Putting things right

I find it fair and reasonable to direct QIC to pay Mr B £100.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct QIC Europe Limited to pay Mr B £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 May 2022.

Christopher Gilbert

Ombudsman