

The complaint

O, a limited company, complains China Taiping Insurance (UK) Co Ltd (China) have unfairly declined their claim for stolen items and voided the commercial combined policy.

What happened

The background of this complaint is well known to both parties and has been detailed by our investigator previously. So, I'll summarise the key points I've focused on within my decision.

- O took out a motor insurance policy with brokers, T, in 2016.
- This policy was cancelled in March 2016 due to the direct debit not being paid.
- T instructed their solicitors to issue a County Court Judgement (CCJ) for the unpaid policy amount.
- O contacted T in October 2019 to take out this commercial combined policy; they were asked to pay £100 for the outstanding debt for the previous policy and the rest of the debt would be spread over the insurance premium for 2019/2020.
- When O went to make a claim for stolen items in May 2021, China said that O had failed to disclose the CCJ when the 2019 policy was taken out. Had it known about the CCJ, China says it wouldn't have offered the policy.
- China voided the policy and didn't return any premiums O had paid; it also didn't cover the claim. O says they never knew about the CCJ and so couldn't have disclosed it when taking out the policy in 2019.
- Our investigator upheld the complaint, saying that T were acting as a broker with delegated authority from China in 2019. Therefore, China are responsible for the sale and the broker's actions, and she felt T ought to have been aware of the outstanding debt and CCJ. She was also satisfied that O hadn't been made aware of the CCJ and so couldn't have provided this information when asked at the sale of the policy.
- Both O and China accepted our investigator's view of the complaint to uphold it, and that China should continue with O's claim for the stolen items by reinstating the policy and removing the voidance. However, since China accepted these findings on 7 July 2022, O hasn't been contacted by it at all and is no further forward with the claim.
- Therefore, the complaint has been passed to me, an ombudsman, to make a final decision, so that O can take further action to enforce this decision if needed.

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.

The relevant law I've considered for this complaint is The Insurance Act 2015. As O was a commercial policyholder, the onus was on them when taking the policy out to volunteer information and make a fair presentation of the risk to China in providing this policy.

China are responsible for the broker's actions at the time of the sale of the 2019 policy. At the time of the sale T knew there was an outstanding debt from a previous policy O had with it. I'm satisfied of this because T asked O to pay £100 and spread the remaining debt over the rest of the premium for the new policy.

I'm not satisfied that it's been shown by China that O was made aware of the CCJ, either at the time of the policy sale in 2019 or by contacting them at the right address previously. So, I consider it reasonable that O wasn't aware of a CCJ being registered and therefore couldn't provide this information in 2019.

Overall I consider that T, and therefore China, ought to have been aware of a CCJ against O, either via its own records or because it was asking O to pay towards a debt from three years before, and it ought to have known that this would've progressed to a potential CCJ. So, I think more could've been done by China to explore this.

I consider there to have been a failure by T to provide accurate information which has allowed this policy to be set up. China are responsible for T's actions and therefore ought to have known that a CCJ had been registered. Therefore, as the failings of T are China's responsibility, I'm upholding this complaint.

Putting things right

I instruct China Taiping Insurance (UK) Co Ltd to do the following:

- Remove the voidance from any internal or external database
- Reinstate the policy
- Consider O's claim in line with the remaining terms and conditions of the policy

My final decision

For the reasons given above, I uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask O to accept or reject my decision before 5 October 2022.

Angela Casey
Ombudsman