

## **The complaint**

Ms E complains that G2I Limited mishandled her claim on a motor insurance policy.

Where I refer to G2I, I refer to the above-named company and I include claims-handlers and others insofar as I hold G2I responsible for their acts or omissions.

## **What happened**

The subject matter of the claim and the complaint is a sports utility vehicle, first registered in 2014.

Ms E owned a company that owned the car.

For the year from May 2020, Ms E took out a policy to cover the car for social, domestic, pleasure, and commuting purposes.

Unfortunately, in mid-January 2021, the car was involved in a head-on collision with a third party's vehicle. Ms E and the third party were injured. The third party made a claim against Ms E for personal injury and other uninsured loss. G2I appointed lawyers to defend that claim.

In December 2021, G2I said it wouldn't indemnify Ms E because she had incorrectly said she was the owner and registered keeper of the car.

Ms E complained to G2I that it wasn't treating her fairly. By a final response dated late January 2022, G2I turned down that complaint.

Ms E brought her complaint to us without delay. She asked that G2I reinstate indemnity, by paying for her car and defending the third party's claim.

Our investigator recommended that the complaint should be upheld in part. He thought that G2I had unnecessarily delayed the outcome of the claim for several months before confirming to Ms E what the outcome was. He recommended that G2I should award Ms E with £250.00 in compensation.

G2I accepted the investigator's opinion. It said it was arranging £250.00 to be sent to Ms E.

Ms E disagreed with the investigator's opinion. Through her son, she asked for an ombudsman to review the complaint. She hasn't given reasons for disagreeing with the investigator's opinion.

## **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.

Consumer Insurance (Disclosure and Representations) Act 2012 ("CIDRA") imposes a duty on a consumer to avoid making a misrepresentation to an insurer when taking out a policy.

Where a consumer makes a careless misrepresentation, and that makes a difference to the insurer then it is a “qualifying misrepresentation” under CIDRA . If it made the difference that the insurer wouldn’t otherwise have offered cover, then CIDRA allows the insurer to treat the policy as void and to decline to meet any claim.

From the policy schedule, and from what Ms E has said, G2I asked her whether she was the registered keeper and owner of the car – and she said that she was. That wasn’t correct. The company owned the car. Ms E knew that. So she made a careless misrepresentation.

I accept that G2I wouldn’t have offered a policy for a vehicle of which the policyholder wasn’t the owner and registered keeper. So the careless misrepresentation made a difference to G2I and it was a qualifying misrepresentation.

Without the misrepresentation, G2I wouldn’t have entered into the insurance contract. so CIDRA allows it to refuse the claim. I can’t say that G2I treated Ms E unfairly by treating the policy as void and declining her claim. I don’t find it fair and reasonable to direct G2I to meet the claim or to indemnify Ms E against the third party’s claim.

Nevertheless, G2I was responsible for about seven months of delay in communicating the outcome to Ms E. I don’t doubt that this caused her uncertainty and extra inconvenience at an already difficult time for her.

### **Putting things right**

So I agree with the investigator’s recommendation – accepted by G2I – of £250.00 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 G2I Limited to pay Ms E (insofar as it hasn’t already paid her) £250.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms E to accept or reject my decision before 11 January 2023.

Christopher Gilbert  
**Ombudsman**