

The complaint

Mr G complains about Covea insurance plc's (Covea) decision to avoid his policy following a claim he made through his car insurance policy.

What happened

Mr G arranged a car insurance policy through a broker. In November 2023 the policy renewed with Covea as the underwriter of the policy. And in February 2024 Mr G made a claim after his car was stolen. Covea say that during its consideration of the claim, it became apparent Mr G had made a misrepresentation at renewal. It says Mr G only disclosed a previous SP30 motor conviction but failed to disclose a TS10 motor conviction from June 2023 and a previous claim from 2020.

Covea says Mr G needed to declare all motoring offences and details of all claims in the last five years when taking out the policy. And, had it known about the additional motor conviction and prior claim beforehand, it wouldn't have offered cover for Mr G's car. Covea avoided Mr G's policy, refused the claim and refunded him the annual premium he paid towards the cover.

Mr G was unhappy with this and made a complaint to Covea. He said he didn't receive the renewal documentation in the way he'd asked it to be sent to him, so he didn't have an opportunity to review or update the information Covea held on him.

He also said at the time of renewal he hadn't been convicted of the TS10 motor offence and Covea didn't ask about pending convictions, so it was not something he needed to tell it about.

Covea considered Mr G's comments but maintained its position. It said Mr G had made a qualifying misrepresentation, which entitled it to avoid the policy and refuse the claim. Mr G remained unhappy and referred a complaint to this Service.

Our Investigator reviewed the complaint and thought it shouldn't be upheld. She thought Covea wouldn't have offered the cover without the misrepresentation, so she said Covea was entitled to avoid the policy and decline the claim. Mr G disagreed and asked for an Ombudsman to review the complaint.

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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

The relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a

misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer.

And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is - what CIDRA describes as - a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer must show it would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation.

CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate, reckless, or careless.

Mr G purchased the policy through a broker. Its role is to arrange and administer the policy on behalf of Mr G. And in doing so, it sent Mr G his renewal invite and policy documentation asking him to confirm all the information it held on him was correct - and if it wasn't, he needed to let it know. The broker then used this information to arrange cover for Mr G through Covea.

If Mr G is unhappy with the way the broker sent him the renewal documentation or the way it handled the renewal of the policy, that's something he'll need to raise with the broker directly. This decision focuses on Covea's actions to avoid the policy in line with CIDRA, and whether it was fair for it to do so.

Covea thinks Mr G failed to take reasonable care not to make a misrepresentation when he failed to inform it, at renewal, of a previous claim from 2020, and a TS10 motoring conviction from June 2023. I've looked at the renewal documentation Mr G was issued before the policy renewed. Under the section "*details of all claims, accidents, thefts and losses regardless of blame in the last five years*" there was no claim mentioned. But Covea says Mr G had a previous claim in 2020 that he should have told it about. And it's provided evidence from the Claims and Underwriting database to show this.

And under the section "*details of any motoring convictions, driving license endorsements, fixed penalties, or disqualifications in the last 5 years*" Mr G only disclosed an SP30 offence from 2019. Covea says Mr G received a TS10 conviction in June 2023 that he didn't inform it about. And it's provided evidence from the DVLA to support its position. Mr G says at the time the policy renewed he wasn't aware of the motoring conviction. And as the statement (within the renewal invite) makes no reference to any 'pending convictions' which is what he thinks it was at the time, he didn't need to inform the broker, or Covea about it. And he says the date of the conviction as specified on the DVLA database is applied retrospectively to the date of the offence, and not the date of conviction.

I need to consider what a reasonable person in the same set of circumstances would do i.e. was Mr G's actions not to disclose the TS10 for the reasons he's expressed in line with what a reasonable person would have done. I've thought carefully about Mr G's comments. I've considered guidance on how an individual is notified of a TS10 conviction. In short, it explains the alleged offender will be notified, whether verbally or in writing, around the time of the offence. And usually, if the offender has less than nine points on their licence at the time of receiving the TS10, they'll be issued with a fixed penalty. If they have nine points, it's possible they'll have to go to court.

In this case, I've seen no evidence Mr G had over nine points on his license at the time of receiving the TS10 notification nor have I seen evidence that Mr G went to court about such matters. So, given the length of time between Mr G receiving the TS10 conviction (June 2023) until the date of renewal (November 2023), I think on balance, Mr G would have been

reasonably aware of the conviction. And something he should have disclosed at renewal. He didn't, so I'm satisfied he failed to take reasonable care.

Mr G also thinks Covea should have checked his licence before agreeing to offer him cover. But insurers can't do that routinely, given the large volume of policies it deals with. Instead, insurers rely on consumers to provide accurate details initially, to read the policy documents and to update their details as necessary. In essence, it's the consumer's responsibility to take reasonable care to provide accurate information when applying for cover. So, I don't think Covea was expected to check Mr G's license before agreeing to offer cover.

Covea has provided underwriting evidence to show if it had known about Mr G's TS10 conviction and the earlier motor claim, it wouldn't have offered the policy. This means I'm satisfied Mr G's misrepresentation was a qualifying one.

Covea has treated Mr G's misrepresentation as careless. Based on Mr G's comments around how and why he answered the question the way he did, I think Covea's actions to treat the misrepresentation as careless is reasonable.

As I'm satisfied Mr G's misrepresentation should be treated as careless, I've looked at the actions Covea can take in accordance with CIDRA.

Covea avoided the policy and refunded Mr G the premium he paid towards the policy. As I've seen underwriting criteria showing it wouldn't have offered cover had it known of the previous conviction and claim, I'm satisfied it was entitled to avoid the policy in accordance with CIDRA. And, as this means that – in effect – the policy never existed, it's fair for it to decline any claim made, and to refund the premium he paid.

As CIDRA reflects our long-established approach to misrepresentation cases, I think allowing Covea to rely on it to avoid Mr G's policy produces a fair and reasonable outcome in the complaint. It follows, I don't think Covea need to take further action.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 March 2025.

Adam Travers
Ombudsman