

The complaint

Mrs A complains that Ageas Insurance Limited (Ageas) voided her motor insurance policy and didn't pay her claim.

What happened

Mrs A took out a motor insurance policy with Ageas in July 2023. She declared she was the main user and added her daughter and son-in-law to the policy as named drivers. In June 2024, her son-in-law was unfortunately involved in a road traffic accident, so she contacted Ageas to report the claim.

While Ageas initially dealt with the claim, they identified that Mrs A's daughter was named as the registered keeper of the car, and not Mrs A. They also said they'd identified previous claims from 2021 that hadn't been disclosed when the policy was taken out. Ageas decided to void the policy and refunded Mrs A's premiums; as they said they never would have offered to cover her.

Mrs A thought this was unfair and complained to Ageas. She explained her daughter had purchased the car in July 2024 in her name but had decided she didn't require the car so Mrs A had purchased it from her. And due to her daughter being pregnant they had forgotten to amend the registration document to show Mrs A as the keeper.

Mr A also explained that when she took out the policy via a comparison site, she had answered 'no' to the initial question asking if she was both the owner and registered keeper of the vehicle – but after selecting 'no', she'd mistakenly selected herself for the subsequent questions that followed, indicating that she was both the owner and the registered keeper. She explained this was the result confusion caused by the format in which the questions were presented to her.

Finally, Mrs A explained that she hadn't disclosed her daughter's accident when the policy was taken out as the claim involved her daughter who was listed as an additional driver on her policy. Mrs A said she was unaware she needed to disclose a named driver's claim history. She felt that Ageas had acted unfairly in voiding her policy and that doing so indicated she had acted on purpose. She said they should have increased her premiums instead or settled the claim proportionately.

Ageas considered the complaint but said they had acted fairly. They explained they had voided the policy due to Mrs A not being the vehicle's registered keeper – as well as two undisclosed claims from 2021. Unhappy with Ageas' response to her complaint – Mrs A brought the complaint to this service.

An Investigator looked at what had happened but ultimately recommended the complaint shouldn't be upheld. He said he was satisfied Mrs A hadn't taken reasonable care when taking out the policy and therefore a careless qualifying misrepresentation had occurred. And as Ageas had demonstrated they wouldn't have offered cover – they were entitled to void the policy.

Mrs A disagreed with the Investigator's recommendation. She said her daughter had actually filled in the online form on her behalf and had become confused over the information being requested due to how the questions were asked. And she maintained that she didn't realise she'd needed to disclose accidents that her named drivers had been involved in. She felt a fair resolution to the matter would be for Ageas to offer a proportional settlement to the claim that would allow her to repair her vehicle, as opposed to a write-off which would require a payment for the full value of the car. And she wanted Ageas to remove the voided policy from their records as she said this would have a disproportionate affect on her.

Mrs A asked for an Ombudsman to consider the complaint – so, it's been passed to me to decide.

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.

Having done so, I've decided not to uphold this complaint. I appreciate this will be disappointing to Mrs A – so I'll explain why.

I want to start by explaining I won't be repeating the entirety of the complaint history here in my decision or commenting on every point raised. Instead, I've focussed on what I consider to be the key points that I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.

As Ageas and the Investigator have already highlighted in their correspondence to Mrs A, the relevant law here is the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA) – which requires consumers to take reasonable care not to make a misrepresentation when either taking out a consumer insurance contract, or at renewal. The standard of care is that of a reasonable consumer.

If a consumer fails to take reasonable care, and does make a misrepresentation, 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 has to show they 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 or reckless, or careless. Ageas says Mrs A didn't correctly answer the questions raised to her when she took out the policy and they voided the policy as they felt she had made a careless qualifying misrepresentation. So, I think the principles set out in CIDRA are relevant, and it's fair and reasonable to apply these principles to the circumstances of Mrs A's claim.

That means I need to first consider whether Mrs A took reasonable care not to make a misrepresentation. And when considering whether a consumer has taken reasonable care, I need to decide whether the questions they were asked during the sales process were clear. I understand there are two main questions Mrs A were asked that were relevant to this complaint, so I'll consider each in turn below.

Previous claims

I don't intend to make a detailed or extended finding on this point as Ageas have confirmed the main reason for voiding the policy was the owner / keeper relationship I'll address shortly below. But in brief, Mrs A says the two undisclosed claims were for her daughters and one was incorrectly attributed to her. She also questioned why she would need to disclose claims that she wasn't involved in as she believed the accidents would be recorded on her daughter's respective 'record'.

In respect of claims - Mrs A was asked:

"Has any driver been involved in any motoring accidents or claims (regardless of fault) in the last 3 years?"

While Mrs A says she didn't realise she needed to disclose named driver's accidents - I'm satisfied this is a clear question and asks for disclosure of *any* driver's claims history. And I think a reasonable consumer would understand the need to disclose named driver's claim history. So, while Mrs A's daughter was the person involved in the relevant accident from November 2021, Mrs A should have given this information to Ageas as she was named on the policy.

Mrs A has questioned why a claim involving her other daughter on a previous policy was flagged up or considered relevant. So, it may help for me to explain how Ageas identified the claim. In respect to the incident from January 2021 – Mrs A confirmed the claim occurred while her daughter was a named driver on her previous policy. As this claim would have involved Mrs A's own policy, in which she was the main policyholder, it would have been recorded as such on the Claims and Underwriting Exchange database (CUE). This is standard industry practice for insurance claims and explains how Ageas located it.

Registered owner and keeper

I've now moved on to the main reason for the policy being voided. The question Mrs A was asked said:

"Are you the owner and registered keeper of (the vehicle) or will you be?"

Mrs A selected 'no' and further explanatory information appeared below which provided two questions to answer which said:

"Who is the owner of the car?"

"Who is the registered keeper of the car?"

Mrs A selected 'you' (in reference to herself) for both of these questions.

I've looked at Mrs A's testimony about when she answered the questions. Mrs A initially said she had taken out the policy online via a comparison site. She said she'd answered 'no' to the initial question asking if she was *both* the owner and registered keeper of the vehicle correctly – but after selecting 'no', she'd mistakenly selected herself for the subsequent questions that followed. She explained this was the result confusion caused by the format in which the questions were presented to her.

But Mrs A then later said that her daughter had actually filled in the forms for her while she communicated with her via phone. And the confusion came from understanding who 'you' referred to when answering this question.

Ultimately, the test as to whether Mrs A took reasonable care is one of a reasonable consumer, not one unique to Mrs A. So, while I take on board what she's said about her understanding of what she needed to disclose, I have to consider what a reasonable person would have answered when asked the questions she was asked.

Given the questions specifically split the owner and registered keeper into two options, I think a reasonable consumer would understand what this meant, and I'm satisfied they were clear and would prompt a reasonable consumer to understand Ageas wanted to know who owned the car and who was the registered keeper.

I take on board Mrs A's comments around 'rolled-up' questions – but I don't agree that these questions were rolled up. I think the initial question was clear and the secondary questions asked each criterion separately. So, having looked at the questions asked, I'm persuaded that the evidence demonstrates that Mrs A didn't accurately answer the questions. And it follows that I think a misrepresentation occurred.

I've then gone on to consider whether I'm satisfied that the misrepresentation was qualifying under CIDRA. While Mrs A has questioned why the registered keeper would make any difference to cover, I should explain that it's not my role to tell a business how they should assess risk when offering insurance policies. The methods used to calculate what risk an insurer wants to take on are a commercial decision for them to make. And a wide range of factors are considered, with each insurer having their own approach and appetite for taking on risk.

Ageas has provided underwriting guidance about the relationship between registered owner and keeper which I'm satisfied demonstrates that they wouldn't have offered the policy at all, had Mrs A told them she wasn't the car's registered keeper. This means I'm satisfied the misrepresentation was qualifying and Ageas is entitled to apply the relevant remedy available to them under CIDRA.

Ageas classed Mrs A's misrepresentation as careless. I do appreciate that Mrs A disagrees with this classification – but based on the evidence I've seen; I think that Ageas treating the misrepresentation as careless was a fair and reasonable position for them to take. Under CIDRA, this means they were entitled to avoid the policy, refuse any claims, but needed to return the premiums paid.

I can see Mrs A feels Ageas has acted unfairly and they should negotiate with her to either allow her to pay an increased premium or proportionally settle the claim instead. But Ageas is not obligated to do either of these things. Instead, they've followed the approach relevant to this type of complaint under CIDRA. And while Mrs A maintains there was no intention to mislead or be dishonest in any manner – I think this is why Ageas have classed the misrepresentation as 'careless'.

Ultimately, CIDRA reflects this Service's long-established approach to misrepresentation cases, so I find that relying on it in relation to Mrs A's complaint produces a fair and reasonable outcome in this particular complaint.

Claim handling and communication concerns

I've also considered Mrs A's complaint points around how Ageas handled her claim and subsequent avoidance. I haven't detailed everything here, but her concerns include Ageas' claim processing and due diligence, issuing their decision without a proper discussion, the accuracy of Ageas' claim's process and the reliability of their record-keeping. Ultimately, Mrs A says she feels Ageas' handling fell below the standards expected of a regulated insurer and the FCA's requirements for treating customers fairly.

I've considered Mrs A's concerns in detail, as I appreciate how important they are to her. But I'm not persuaded Ageas acted unfairly here in how they dealt with the voidance or how they communicated with Mrs A. Mrs A says Ageas didn't have a proper discussion with her before voiding her policy, but as I explained previously, as Ageas followed the remedies under CIDRA – I think they acted fairly.

I recognise Mrs A has suffered an unfortunate loss which would have had an impact on her. And I do appreciate that having a declined policy recorded against her will have an impact going forwards. But I'm satisfied Ageas dealt with this claim and complaint in line with the relevant law and industry guidelines. And this means that I think they acted fairly, so I won't be directing them to do anything further.

My final decision

For the reasons given above it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 18 April 2025.

Stephen Howard
Ombudsman