

## **The complaint**

Mr F has complained that his van insurer, One Insurance Limited ('One Insurance') unfairly declined a claim he made on his policy and then proceeded to avoid it.

## **What happened**

In March 2024 Mr F made a claim on his van insurance policy after his vehicle was stolen whilst it was parked at his house.

When he was interviewed by One Insurance during the validation process Mr F said that in 2021, around 18 months after he'd purchased the vehicle, he added rollbars, a bull bar and a roller shutter to it for extra security. One Insurance asked Mr F why he hadn't made it aware of these changes and he said he didn't realise he had to.

One Insurance said that had it known about these modifications it would not have offered Mr F cover at all. So it turned his claim down, avoided his policy and returned his premium.

Mr F wasn't happy about this and complained. He said that there was no mention of modifications when he took his policy out or during any of the subsequent renewals. He said that the need to declare modifications was not highlighted in the terms and conditions and that he never received a summary or a paper copy of his policy. He added that he believed modifications related to performance enhancement whereas the modifications he made were to add security. He said he used the vehicle for work so he had to rely on others for transportation. Not having his vehicle also caused him a loss in his earnings.

One Insurance didn't uphold Mr F's complaint. It said that it considered this to be a careless misrepresentation but as it would not have provided cover had it been aware of the modifications, it decided to decline the claim, avoid the policy and return Mr F's premium. One Insurance added that due to a cyber incident that took place in 2021, the broker wasn't able to provide a copy of any call recordings to verify what was discussed when the policy was taken out. It added that as the vehicle details were added to the broker's portal, the broker wouldn't have asked about modifications but only if the details already entered were correct.

Unhappy with One Insurance's response, Mr F brought his complaint to our service. He said One Insurance's response to his complaint was confusing and that he had never used an online portal. He said he called the broker but as the broker no longer has the call, he wasn't sure what evidence One Insurance was relying on. He said he was never asked about modifications and that had he been, he would have answered truthfully. Mr F added that he now has difficulty obtaining insurance elsewhere, he has been impacted financially and his mental health has also suffered.

One of our investigators reviewed the complaint but didn't think it should be upheld and agreed with One Insurance's reasons for avoiding the policy and rejecting the claim.

Mr F didn't agree and asked for an ombudsman's decision. He said the relevant documents were not sent to him at renewal. He said that the documents provided by One Insurance to our service contained incorrect information including wrong policy start and end dates.

Our investigator didn't change her view, and the matter was then 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.

When Mr F bought his policy, he had a responsibility under the Insurance Act 2015 to make a fair presentation of the risk. And for One Insurance to take any action at all it needed to show that Mr F didn't do this and that he made what's known as a qualifying breach. Under the Act a qualifying breach is a breach for which the insurer has a remedy against the customer because they would either not have sold them the policy or would have done so on different terms.

For completeness I will say that I note that One Insurance said that the relevant legislation was the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA) but as this only applies to consumer insurance contracts, I don't think it applies here. CIDRA considers a consumer to be an individual who enters the contract wholly or mainly for a purpose unrelated to their trade, business or profession. And Mr F's policy "statement of fact" document says that most of the insured mileage was for business purposes. So I'm not persuaded this is a consumer contract and so the IA applies. In any event, in the circumstances of this complaint this isn't relevant as in my view the outcome would be the same whichever legislation applies.

Mr F first took out his policy with One Insurance in 2019. One Insurance said the broker no longer has any calls from when the policy was taken out. Mr F said that he didn't modify the vehicle until 2021 so, even if the calls had been available, I don't think they would have been very relevant. And even if modifications had been mentioned to Mr F during that sales call, I don't think it would have been fair to rely on it due to the time that passed between the call and the modifications being done.

This doesn't mean that the modifications didn't have to be declared. When a customer renews a policy, they take out a new contract and the duty for them to make a fair presentation of the risk applies again. One Insurance has only avoided the 2023/2024 policy so this is the one I have looked at.

One Insurance said that it sent Mr F documents which stated that he had to declare important information which included modifications. The renewal letter dated September 2023 said that Mr F had an obligation to advise One Insurance of any material information that was different before the policy renewed. It also gave examples of this information and referred to modifications which included structural bodywork. The "examples of material

information that should be disclosed to us.." section is in bold letters and I think it is sufficiently highlighted so that it is brought to the customer's attention.

Furthermore, under general conditions the policy states that, among other things, the customer must let One Insurance know as soon as possible about any changes that happened since the insurance started or renewed that might make it change its mind about the insurance. And this could mean that it may not cover any claim and the policy could be cancelled or voided. Examples of these changes include any changes to the vehicle.

I appreciate Mr F said he didn't receive the renewal documents but One Insurance has provided a copy of the renewal letter and it has Mr F's correct address and so, on balance, I think it did enough to ensure it was received. The policy terms are also available online or could have been requested from the broker. I also note that Mr F said there were some discrepancies in the dates noted in the policy schedule and "statement of fact" which One Insurance sent to us. I have considered this but other than the date I am not persuaded that the information on these documents is incorrect. Also the renewal letter is the document which mentioned the need to declare modifications and from what I have seen, it has the correct renewal date.

For the reasons above, on balance, I think Mr F should have declared the modifications and his failure to do so amounted to a failure to make a fair presentation of the risk One Insurance was taking on.

For One Insurance to take any action at all it needs to show it would have either not insured Mr F, or done so, but on different terms. One Insurance has provided evidence which shows it would not have insured Mr F if it had been aware of the modifications. I note Mr F said he wanted to see One Insurance's policy which says that it doesn't insure vehicles with these modifications but, I'm afraid, this is not information that we are able to share with him. It is business sensitive information which was shared with us in confidence but I can assure Mr F that I considered it carefully before making my decision.

I'm therefore, satisfied that One Insurance has shown that Mr F has made what is known as a "qualifying breach".

The remedies available to One Insurance depend on whether a qualifying breach is either deliberate or reckless, or, neither deliberate nor reckless. One Insurance said it considers this to be a careless breach and so that it was neither deliberate nor reckless.

The remedy available to One Insurance where the qualifying breach is neither deliberate nor reckless and where it wouldn't have offered cover is to avoid the policy, reject the claim and return the premiums. This is what One Insurance has done. So, I don't think it needs to do anything further.

I appreciate Mr F will be disappointed with my decision. I can appreciate what a difficult situation he has found himself in and the financial strain it has caused him. As he says he was the victim of a theft which wasn't his fault. I can fully appreciate this but at the same time I don't think it would be fair or reasonable for me to ask One Insurance to cover a claim for a vehicle that it never intended on insuring in the first place.

**My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 23 July 2025.

Anastasia Serdari  
**Ombudsman**