

The complaint

Miss V has complained about the amount One Insurance Limited offered for a claim she made under her motor insurance policy.

What happened

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Miss V took out motor insurance through a comparison website in 2023, underwritten by One. It renewed directly with One the following year. Shortly after, her car was stolen, and she got in touch with One to make a claim.
- One accepted the claim and valued the car at £23,400. It offered to settle the claim with a 22% reduction to this value, because it said Miss V had provided inaccurate information when taking out and renewing the policy. And, if One had known the accurate information, it would have charged a higher premium. The information related to annual mileage and the registered keeper.
- Miss V didn't think the reduction was fair and complained. She also said the process had taken too long and communication with One had been difficult. One maintained its position, so Miss V referred her complaint to this Service.
- Our investigator thought the complaint should be upheld in part. She thought Miss V had provided inaccurate information about the registered keeper – but not the mileage. As a result, she said One should reconsider the settlement offer. She also said One had acted fairly when progressing and communicating about the claim.
- An agreement wasn't reached, so the complaint has been passed to me.

My provisional decision

I recently issued a provisional decision in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

- There are three points for me to consider: the information Miss V provided about the registered keeper, the information Miss V provided about the annual mileage, and whether the service provided by One was fair. I'll take each point in turn.

Registered keeper

- The relevant law for this situation is the Consumer Insurance (Disclosure and Representations) Act 2012 (or "CIDRA"). It places a duty on the consumer, in this case Miss V, to 'take reasonable care not to make a misrepresentation'. In summary, if Miss V fulfilled that duty, One can take no action. If One can show she didn't fulfil

that duty, and One can show that it would have acted differently if she had fulfilled that duty, CIDRA sets out the remedies available to One.

- To decide whether Miss V took reasonable care, the starting point is to consider the question she was asked. I'll then go on to consider whether One has shown she failed to take reasonable care when she answered it – and, if so, whether One has shown it would have acted differently if she had taken reasonable care.
- When Miss V took the policy out through a comparison website, she was asked: *“are you the registered keeper and the legal owner?”*.
- The website gave some guidance about how to answer the question, including: *“the registered keeper is named on the V5 certificate”*.
- I understand Mrs V said she was the registered keeper in 2023. At the 2024 renewal, Miss V was asked to ensure the information she'd provided was correct. It said: *“registered keeper of vehicle ... proposer”*. Earlier in the document, Miss V was named as the proposer. So it effectively said she was the registered keeper of the vehicle and asked her to check if that was correct.
- It doesn't seem to be in dispute that Miss V isn't the registered keeper – her partner, the named driver, is. That's shown on the V5 certificate. As a result, I'm not satisfied she took reasonable care when answering this question. CIDRA says One has a remedy available *only if* that made a difference to One.
- One said it would have charged an additional premium if it had known Miss V wasn't the registered keeper. One has shared its internal underwriting information to show the impact on the premium depending on who the registered keeper is. In summary, it shows no difference in premium if the registered keeper is Miss V or her partner. There's a difference in other circumstances – but not this one.
- This point has been explored with One and it's now accepted it made a mistake when it said it would have charged an additional premium for this. It would have charged the same premium regardless of whether Miss V or her partner were the registered keeper. That means One can't reduce the claim settlement based on Miss V's answer to this question.

Annual mileage

- When Miss V took the policy out through a comparison website, she was asked: *“what's the annual personal mileage for this car?”*.
- The website gave some guidance about how to answer the question, including saying personal mileage meant: *“the miles you and any named driver will travel after everyday tasks such as shopping, meeting friends and family, and commuting to and from a single place of work”*.
- This question is effectively asking Miss V to provide an estimate – not a matter of fact. She can't reasonably be expected to know exactly how many miles she and the named driver will drive over the following year. I don't think CIDRA strictly applies to estimates. But I think it would be fair and reasonable to take a similar approach to CIDRA, so it doesn't matter whether it technically applies.

- As a result, I consider Miss V ought to have given a reasonable estimate in response to this question. That means I don't think it's matter of whether her estimate was 'right' or 'wrong' but whether it was within, or outside, a reasonable range of estimates – based on what she knew, or ought to have known, at the time. The onus is on One to show her estimate was outside such a range at the relevant time.
- I understand Miss V said she expected to drive 4,000 miles in 2023. At the 2024 renewal, Miss V was asked to ensure the information she'd provided previously was correct – and she agreed it was. One doesn't think that was a reasonable estimate.
- Miss V bought the car in 2021, when it was around a year old. It's unknown how many miles had been driven by that time. One has provided evidence to show the car had recorded around 37,000 miles in September 2023 and 50,000 in September 2024, near the time of the loss. It says this meant an average annual mileage of 12,500 since the car was new, so Miss V ought to have provided an estimate in that region at the 2024 renewal.
- Miss V said she'd been the main driver since she bought the car in 2021, with her partner a named driver who rarely used the car initially. Normally, she thought around 4,000 miles a year was a reasonable estimate. However, between October 2022 and November 2023, her partner had to use the car significantly more than usual, which increased the mileage to around 12,000 a year. He bought another vehicle in late 2023, and Miss V was once again the main driver, with reduced mileage.
- Between September 2023 and 2024, around 13,000 miles were recorded. Miss V said her partner continued to use the car to an extent during that time, and a number of family reasons necessitated more use than previously – none of which were planned at the 2024 renewal.
- Overall, it's clear the car was used much more than 4,000 miles a year from late 2022 to late 2024 – around the 12,500 miles a year One has mentioned. But the key question is whether, at the July 2024 renewal, and based on what she ought reasonably to have known at that time, Miss V's estimate of 4,000 miles over the next year was reasonable.
- In my view, it wasn't a reasonable estimate. Whilst I acknowledge there may have been some unexpected changes in family life that meant more driving than Miss V could reasonably have anticipated, I haven't been persuaded that accounts for such a difference in mileage – or that all changes were unexpected. However, nor have I been persuaded One has shown Miss V ought to have estimated she would likely have driven around 12,500 miles over the next year. By the July 2024 renewal, some of the reasons for the increased mileage had been reduced.
- Taking all of this into account, I consider a fair and pragmatic position is to say the estimate ought reasonably have been somewhere between the two figures given and, in the absence of anything specific, an estimate of around 8,000-8,500 miles would have been reasonable.
- That would have led to an increased premium, but not by as much as 12,500 miles. That means One can reduce the claim settlement based on Miss V's answer to this question, but not by as much as it intended to.

Overall claim outcome

- Taking my above findings into account, I'm satisfied it would be fair and reasonable, and in line with relevant law and best practice, for One to reduce the claim settlement – but not by as much as 22%. It can make no reduction for the registered keeper, and a lesser reduction for the annual mileage.
- Using the underwriting information One has provided, I think it would be fair for it to reduce the claim by 8%. The terms and conditions still apply, so One is entitled to deduct an excess after applying the reduction. If any amounts have already been paid toward the settlement they can be deducted and only the remainder be paid.
- To the final claim settlement One pays, it should add interest. This is to reflect the delay to the full claim payment means Miss V has unfairly been without the money for a period of time. Interest will apply from 24 October 2024, to the date of the complaint response, which is when I think the full settlement should reasonably have been paid.

Service provided

- It took One around a month to look into the claim and the wider circumstances and reach a settlement position. I don't think there was an unreasonable delay up to that point. But because the position wasn't fair, Miss V has had to enter into the complaint process – which has caused distress and inconvenience.
- I understand Miss V found communication difficult at times, as she often had to chase One for updates – and her chasers weren't always returned. That would also have caused distress and inconvenience.
- As a result, I think One should pay compensation to reflect the impact on Miss V. I consider £100 is fair and reasonable in the circumstances.

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.

- Both parties responded to accept my provisional decision.
- As a result, there's no need for me to discuss the matter further. I remain satisfied the outcome I proposed in my provisional decision is a fair and reasonable outcome for the reasons given.

My final decision

I uphold this complaint.

I require One Insurance Limited to:

- Settle the claim with an 8% reduction, subject to the terms and conditions of the policy, and pay the final claim settlement.
- To that payment, add interest at 8% simple per annum, from 24 October 2024 to the date of settlement*.
- Pay £100 compensation.

*If One considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss V how much it's taken off. It should also give Miss V a tax

deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 24 April 2025.

James Neville
Ombudsman