

The complaint

Miss R and Mr W complained that Accredited Insurance (Europe) Ltd (“Accredited”) unfairly avoided (treated it as though it never existed) their home buildings insurance policy.

I’ll refer to Miss R in my decision for ease.

What happened

In January 2023 Miss R made an online claim to Accredited. She said she referred to her garage having been flooded. When her partner returned from work he told her the garage hadn’t been flooded. Based on this Miss R said she didn’t proceed with the claim.

At renewal time in June 2023 Miss R said Accredited informed her no cover would be offered. This was because its insurance criteria had changed. Miss R said it wasn’t confirmed that this was linked to the claim she didn’t proceed with in January 2023. She said she then used a comparison website to look for alternative insurance. And took a policy with the first provider that came up. This was also with Accredited.

In July 2024 Miss R said she was told by Accredited that her new policy was being cancelled and avoided back to inception as she hadn’t declared the flooding incident. She didn’t think this was fair as a flood hadn’t occurred. So, she complained to the business.

Accredited sent a letter to Miss R confirming it considered her complaint was resolved. It didn’t provide any detail in this letter. However, I can see that there was additional correspondence and discussion on this point. Accredited told Miss R it had cancelled and avoided her policy. This is because she had given inaccurate information about the flooding incident from January 2023. It said it wouldn’t have provided cover had it known about this. The business confirmed that it had refunded Miss R’s premium for the year.

Miss R didn’t think Accredited had treated her fairly and referred the matter to our service. Our investigator didn’t uphold her complaint. He thought Miss R had given inaccurate information, which meant Accredited acted reasonably in taking the action it did.

Miss R didn’t accept our investigator’s findings and asked for an ombudsman to consider her complaint.

It has 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’m not upholding Miss R’s complaint. I’m sorry to disappoint her but I’ll explain why I think my decision is fair.

The relevant law in this case is the Consumer Insurance (Disclosure and Representations)

Act 2012 (CIDRA). Under CIDRA Miss R must take reasonable care not to make a misrepresentation when taking out insurance. If she doesn't do this, CIDRA allows an insurer to take certain actions, assuming the misrepresentation is a qualifying one. A qualifying misrepresentation is where the insurer would not have provided cover at all, or it would only provide cover under different terms.

To understand whether Miss R made a misrepresentation I've considered the questions she was asked when applying for her policy online.

Miss R used a comparison website when applying for her policy online. Accredited has supplied the question she was asked about flooding. This said:

"Within the last 10 years, has your property (including any outbuildings or land) or any property within 100 metres of your boundary been affected by flooding?"

Miss R responded "no" to this question, which she doesn't dispute.

I think the question about flooding is clearly worded. The documents sent to Miss tell her to check the questions and answers carefully and contact Accredited immediately if anything is incorrect.

I've listened to a call in June 2023 between Accredited and Miss R prior to her renewal. The agent wanted to know about the potential flood claim. He queried whether she had made this claim to which she replied, *"yes that's right"*. The agent asked about the circumstances. Miss R said there had been a period of *"heavy, heavy, rain"* and that *"the garage sort of got flooded"*. Miss R told the agent that *"water went above the flood barrier"*. She explained that additional drainage had been installed into the garden to stop this happening again.

The agent explained that he would refer back to the underwriters to confirm they are happy to offer a renewal. He said he would get back to Miss R to let her know. She was sent a letter around nine days later that said cover couldn't be provided by Accredited.

It was soon after this that Miss R took out the new policy with Accredited when she was asked the question about flooding.

I note Miss R's view that the incident that occurred in January 2023 shouldn't be described as a flood. In her submissions to our service, she refers to this as possibly due to a *"storm"* or *"water ingress"*.

I've thought carefully about what Miss R has said. She initially reported the claim in January 2023 as a flood claim. When Accredited called her to ask for more information about this event, she said *"yes, that's right"*. This was in response to whether it was a flood she'd initially claimed about. She then referred to water flooding her garage, and that water had gone over the flood barrier. Miss R explained work was then carried out to install further drainage at her property to stop this happening.

Based on this information I think it's clear Miss R had instigated a flood claim with Accredited in January 2023, which she reaffirmed in June when asked about it.

I've looked at the definition of 'flood' from Miss R's policy terms. It says:

"A flood is a substantial and abnormal build-up of water from an external source. It does not include water which has escaped from pipes, tanks and other fixed water apparatus.."

I think the description Miss R provided fits within the policy definition of a 'flood'. I haven't

seen evidence to show there was a storm. But the claim Miss R initially made was that water had collected in her garage. This may have resulted from a rainstorm. But this would still reasonably be categorised as a flood under the definitions set out in Miss R's policy. I can't find reference to "*water ingress*" as an insured cause. Damage caused due to an escape of water is covered, but this doesn't fit with these circumstances. Based on what I've read I think the only reasonable categorisation of the insured cause here is 'flood'.

Having considered all of this I think Miss R was reasonably aware that her property had been affected by flooding. If she was unsure of this she could have contacted Accredited to obtain clarification. Because she answered 'no' to this question I think Miss R did make a misrepresentation.

Accredited has supplied underwriting information that shows had Miss R not made this misrepresentation it would not have provided cover at all. This information is considered commercially sensitive so I can't share it. But it means Miss R's misrepresentation was a qualifying one. Under CIDRA this means Accredited can decline Miss R's claim and avoid her policy back to inception, which is what it did. In these circumstances I don't think this was unfair.

Under the CIDRA rules Accredited must confirm whether it believes Miss R's misrepresentation was careless, reckless, or deliberate. We asked it to confirm what it had decided. It responded to say it treated the misrepresentation as careless, which is why it refunded Miss R's premiums.

Miss R said that she didn't think she answered the flooding question incorrectly as she hadn't made a claim, and she didn't think a flood had occurred. But when referring to the question, it asks if her property has been affected by flooding, not if she'd made a claim. Similarly, for the reasons I've already discussed I'm satisfied that Miss R had reported a flood that had affected her garage. I understand that she has different views on this. But in these circumstances I think it was fair that Accredited treated this as a careless misrepresentation and refunded Miss R's premiums.

I'm sorry that Miss R is paying more for her insurance and that this has meant the application of further conditions relating to flood claims. I'm also sorry to hear about the difficult time she's had. But, I don't think Accredited behaved unfairly when it took the action it did to avoid her policy by following the CIDRA rules. So, I can't reasonably ask it to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R and Mr W to accept or reject my decision before 28 July 2025.

Mike Waldron
Ombudsman