

The complaint

Mr S complains that Covea Insurance plc (Covea) declined his claim and avoided his motor insurance policy following the theft of his car.

What happened

In November 2023 Mr S renewed his motor insurance policy via a third-party who I shall refer to as A. For the period in question, Mr S's motor insurance policy was underwritten by Covea.

In April 2024 Mr S's car was stolen so he reported the theft to Covea. During Mr S's call he was asked by Covea if he'd altered the look or performance of his vehicle in any way. Mr S said when he first had his vehicle, he had it remapped.

Mr S was subsequently asked by Covea why he'd now disclosed this information but hadn't when he took the policy out. Mr S said he didn't feel this remapping was a modification because he'd not changed the vehicle from its original specification – he'd merely fixed a performance issue with the car taking it back up to the manufacturer's specification. He believed he'd answered the questions correctly.

Covea responded advising remapping was a modification as it alters the settings of a car. Covea said if it had been aware of the misrepresentation when Mr S took out the policy it wouldn't have been prepared to offer cover in any circumstances.

Covea said it viewed Mr S misrepresentation as a careless misrepresentation which under the Consumer Insurance (Disclosure and Representation) Act 2012 (CIDRA) entitled it to avoid Mr S's policy and return to Mr S his premium. By Covea avoiding Mr S's policy, it in effect was saying the policy had never existed and therefore there was no policy for Mr S to claim under. Covea therefore said it wouldn't be dealing with Mr S's claim.

Mr S complained to Covea, but it didn't change its decision. It maintained having the vehicle re-mapped/tuned is a modification that is unacceptable within its underwriting criteria. And if it had been aware of this modification from inception it wouldn't have offered Mr S a quote.

Dissatisfied with Covea's response, Mr S brought his complaint to this Service.

I issued a provisional decision in May 2025 setting out I planned to uphold Mr S's complaint. I said:-

"CIDRA

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.

If a consumer fails to take reasonable care not to make a misrepresentation, the insurer has

certain remedies provided the misrepresentation is what CIDRA describes as a qualifying misrepresentation. To be a qualifying misrepresentation the insurer has to show it either wouldn't have offered the policy at all or would've only offered it on different terms, 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 if it's deemed that the misrepresentation was a qualifying misrepresentation, then consideration has to be given as to whether the misrepresentation was deliberate, reckless or careless. This distinction is important, as the remedies available will depend on the type of misrepresentation.

Question and Misrepresentation

When considering Mr S's complaint, I first need to determine whether there has been a misrepresentation.

I've seen from the available evidence Covea thinks Mr S failed to take reasonable care not to make a misrepresentation when he failed to confirm at inception and subsequently at the renewal of his motor insurance policy that he'd had his vehicle remapped. Covea says; "remapping is classed as a modification as it involves altering the settings of a car to enhance its power or performance, which is an alteration to the original vehicle".

From the available evidence, Mr S says he doesn't believe this particular remapping was changing the specification of his car and therefore it was not a modification. Mr S says his car had been underperforming (there was a flat spot) so he took his car to a garage to check and improve the settings. Mr S says it was not for more power than his car should've already had.

It's debateable whether remapping your car to get it to the level it should've been performing at constitutes a misrepresentation. I'm not however going to answer that question here, because even if I did, I'd always have to consider whether Mr S took reasonable care not to make a misrepresentation. And I'm satisfied he did, or rather, more accurately, that Covea hasn't shown he didn't. I'll explain further.

When considering whether a consumer has taken reasonable care not to make a misrepresentation, we look to see if the insurer – in this case Covea - asked a clear question when the policy was taken out or renewed.

Covea has been asked to provide a copy of the questions Mr S was asked when his motor insurance policy was originally incepted. This is to consider how clear and specific the questions were especially with regards to modifications. Because Mr S originally took out his policy via an online intermediary - who I shall refer to as C - Covea has said C is unable to provide the questions it asked at the time of inception, because it doesn't store the exact layout of historical questions.

Instead, C has provided to Covea a copy of Mr S's answers to the initial questions he was asked when he took the policy out in November 2022. Looking at Mr S's answers I can see in respect of modifications Mr S answered "none". But, without seeing the question Mr S was asked, I cannot say with any certainty how Mr S reached that decision and if he did so taking reasonable care.

Covea has provided to this Service questions from early 2023 and November 2024. The questions are not from the time when Mr S's policy was incepted. Although I appreciate Covea says the questions and guidance on C's online platform have remained unchanged for some time, I cannot be satisfied based on the information which has been provided that

the questions are the same as those which would've been asked of Mr S when he took the policy out.

Therefore, without a copy of the questions or any guidance that was provided to Mr S at the time of inception, I'm unable to say whether the question asked of Mr S regarding modifications was clear and specific and if in turn, Mr S took reasonable care in answering that question.

I appreciate in November 2023 Mr S renewed his motor insurance policy via A. And in reality, it is this renewed policy that is most important (this is the avoided policy and the one Mr S wished to claim from). I've listened to the call recording between Mr S and A relating to that renewal. In it, Mr S was asked if he'd received and read the renewal documents to which Mr S answered he had. Mr S was also asked if there were any changes he wished to make, to which he replied "no".

Within the available evidence I've seen the renewal documents Mr S received and referred to in that call. Under the heading modifications on the renewal documents it says:-

"Has the car been modified/alterd from the makers specification, including body kits, alloy wheels, spoilers, engine suspension etc or do you intend to alter it?"

The answer on the documentation is none.

As Mr S's policy had been set up based on the questions, he was originally asked by C which are unable to be provided, then I'm unable to say that Mr S failed to take reasonable care when he responded to A when renewing his policy. That's because there's nothing on that statement of fact to clearly show that a remapping, of any kind, let alone one that simply corrects a performance issue is something Covea want to know about.

Taking everything into account, I don't find Covea has shown Mr S failed to take reasonable care not to make a misrepresentation when he didn't confirm his vehicle had been remapped. That's because I'm satisfied that, given the information I've been given (noting an absence of the original question asked), a reasonable consumer would likely answer the question on the renewal documents the same way he did – because nothing at that point had changed since he took the policy out. And as such, I find there has been no qualifying misrepresentation under CIDRA which Covea can rely upon. It's therefore unfair for Covea to have avoided the policy and rejected Mr S's claim.

To put things right Covea should effectively reinstate Mr S's policy, remove any record of the avoidance from its internal or external records providing a letter to Mr S to this effect and assess the claim in line with the terms and conditions. Should any claim payment be made, Covea would be entitled to deduct the returned premium from it.

Distress and Inconvenience

The decision to avoid Mr S's policy would've undoubtedly caused distress and inconvenience to Mr S following an already stressful experience of his vehicle being stolen. After Mr S's vehicle was recovered, he says he's been required to have the vehicle recovered to his garage and pay for repairs to be carried out to the vehicle. As this was a direct result of the policy being avoided, it must have been not only worrying but inconvenient to Mr S. I therefore think in addition to the steps suggested above, Covea should compensate Mr S for the impact caused by the unfair avoidance of Mr S's motor insurance policy. I consider £400 to be fair and reasonable in the circumstances.

My provisional decision therefore said Covea Insurance plc should do the following:-

- Effectively reinstate Mr S's motor insurance policy it avoided.
- Remove any record of the avoidance from internal or external records and provide a letter to Mr S confirming this.
- Consider Mr S's claim in line with the terms and conditions of the motor insurance policy. Should any claim payment be made Covea is entitled to deduct the returned premium from it.
- Pay Mr S £400 compensation for the distress and inconvenience he has been caused by the unfair avoidance of his motor insurance policy. Covea should pay this compensation within 28 days.

Both Mr S and Covea have responded to my provisional decision.

Covea has obtained a detailed explanation from its senior engineer who provides additional context for why remapping is considered a modification. It has also provided information regarding remapping from C's website.

Mr S has said he maintains he was not enhancing the power of his vehicle. He has asked what "considering the claim" would mean for him in respect of the costs he has incurred.

In light of the responses received, the complaint has therefore 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 considered the response to my provisional decision from both parties I see no reason to reach a different conclusion to the one reached in my provisional decision. I'll explain why:-

Although Covea has provided a detailed explanation from its engineer explaining why remapping should be treated as a modification, Covea hasn't addressed the absence of the questions Mr S was asked by C at the time of inception of the policy. And without the questions, I remain unable to say that Mr S failed to take reasonable care when he responded to A when renewing his policy. This is because there's nothing on the statement of fact to show that remapping of any kind, and especially one which is correcting the performance of a vehicle, is something Covea wanted to know about.

I appreciate that Covea's engineer's response is comprehensive regarding remapping, however this information alone doesn't address the issue of what questions Mr S was asked at the time of inception of the policy.

Likewise, Covea has provided information from C's website regarding remapping. I can see this information was last updated in March 2024. I therefore can't say that the information provided is the same as what would have been available at the time Mr S took out his policy. But in any event, despite both the engineer's response and the information from C's website, the fact remains that Covea haven't provided a copy of the questions Mr S was asked at the time of inception of the policy in order for me to consider if Covea can take any steps under CIDRA.

Therefore, taking everything into account I remain satisfied there has been no qualifying misrepresentation under CIDRA which Covea can rely upon and it's unfair for Covea to have avoided the policy and rejected Mr S's claim.

As to Mr S's comments, the wording "considering the claim" means that it will be for Covea to assess Mr S's claim in accordance with its policy terms and conditions and in light of any documentation Mr S can provide to Covea in support of his claim.

Putting things right

Covea Insurance plc should do the following to put things right:

- Effectively reinstate Mr S's motor insurance policy it avoided.
- Remove any record of the avoidance from internal or external records and provide a letter to Mr S confirming this.
- Consider Mr S's claim in line with the terms and conditions of the motor insurance policy. Should any claim payment be made Covea is entitled to deduct the returned premium from it.
- Pay Mr S £400 compensation for the distress and inconvenience he has been caused by the unfair avoidance of his motor insurance policy. Covea should pay this compensation within 28 days.

My final decision

My final decision is that I uphold this complaint. Covea Insurance plc should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 July 2025.

Lorna Ball
Ombudsman