

The complaint

Mr J complains that Zurich Insurance Company Limited should meet his claim on a motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a car (“the car”) that looked like one from a television series.

From mid-June 2019, Mr J had a multi-car policy. He renewed the policy for the years from mid-June 2020, 2021, and 2022.

Mr J added the car to the policy from about 1 October 2022.

Mr J renewed the policy for the year from mid-June 2023.

Zurich was the insurance company that was responsible for dealing with any claim. Much of the complaint is about acts, omissions and communications of claim-handlers on behalf of Zurich. Insofar as I hold it responsible for them, I may refer to them as acts, omissions and communications of Zurich.

After an engine fire had damaged the car in 2023, Mr J made a claim in March 2024. Zurich began an investigation.

Mr J renewed the policy for the year from mid-June 2024.

In about July 2024, Zurich declined his claim, saying that Mr J had made a careless misrepresentation that the car had no modifications. Zurich refunded the payments of premium for the car.

Zurich also cancelled the policy for the other vehicles with effect from early August 2024 and issued a pro rata refund.

Mr J complained to Zurich that it should meet his claim.

By a final response dated 15 August 2024, Zurich turned down the complaint.

Mr J brought his complaint to us in late January 2025.

Our investigator didn’t recommend that the complaint should be upheld. She thought that Zurich’s actions were in line with Consumer Insurance (Disclosure and Representations) Act 2012 (“CIDRA”).

Mr J disagreed with the investigator’s opinion. He asked for an ombudsman to review the complaint. His solicitor says, in summary, that:

- Zurich’s representatives took three visits to examine the vehicle before they detected

modifications. It is difficult therefore to suggest that Mr J was careless.

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.

CIDRA imposes a duty on a consumer to take reasonable care not to make a misrepresentation when taking out or varying an insurance policy. If a consumer breaks that duty by making a careless misrepresentation, and that makes certain differences to the insurer, then it is a qualifying misrepresentation and CIDRA gives the insurer certain remedies.

If the careless misrepresentation makes the difference that the insurer wouldn't otherwise have offered cover, then the remedies include treating the policy as void and declining to meet any claim.

In September 2022, a broker asked Mr J whether the car had:

“any modifications or alterations to the manufacturers standard specifications such as changes to the bodywork, engine, suspension, cosmetic alterations, brakes, anything like that at all?”

Mr J answered in the negative.

That was far from correct. The car had a number of modifications.

Mr J has said he didn't know that the car had modifications. However, the car included some features that the car-maker wouldn't have included on a vehicle leaving its factory as they had no purpose other than to make the car a replica of the one from the TV series.

So I consider that, as a reasonable consumer, Mr J ought to have known in September 2022 that a previous owner had made modifications to the car.

I'm far from satisfied that Mr J took reasonable care to avoid making a misrepresentation. I consider that he made a careless misrepresentation.

Zurich recorded Mr J's answer in the policy documents, which it sent to Mr J. When he renewed the policy in 2023, Mr J failed to correct his answer.

Zurich's investigation included interviewing Mr J including about his addresses and where he kept his vehicles. It also included an inspection of the car, but I'm not persuaded that Zurich's engineer took long to identify the modifications.

Zurich has provided us in confidence some commercially-sensitive underwriting information. From that, I'm satisfied that, but for the misrepresentation, Zurich wouldn't have offered cover for the car. So I don't find that Zurich treated Mr J unfairly by saying that he'd made a qualifying misrepresentation. It follows that I don't find that Zurich treated Mr J unfairly by treating his policy as void and declining his claim.

Zurich hasn't treated the misrepresentation as reckless or deliberate. So it has refunded the payments of premium for the car.

I'm satisfied that Zurich's actions were in line with CIDRA and not unfair. So I don't find it fair and reasonable to direct Zurich to meet the claim or to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Zurich Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 9 September 2025.

Christopher Gilbert

Ombudsman