

## **The complaint**

Mr S complains that Covea Insurance plc have voided his policy and declined his claim following a burglary.

## **What happened**

Mr S took out a contents policy with Covea in March 2020 and renewed it in 2021, 2022 and 2023.

On 10 February 2024 Mr S was burgled and he submitted a claim for jewellery that was stolen, which was taken during a burglary, along with the safe it was locked in.

Covea carried out checks when validating Mr S's claim, including obtaining an up to date valuation of the valuables he was claiming for in comparison to the level of cover he had bought.

Mr S's policy had contents cover of £75,000 with valuables cover of £25,000, but based on the valuation Covea obtained for the missing items they said the valuable items would cost £49,240 to replace – meaning that he was underinsured.

Covea said that if they had known the true value of the valuables stolen they wouldn't have offered cover, and so they voided the policy and declined the claim. They did, however, return the premiums paid.

Mr S brought his complaint to us and our investigator thought it shouldn't be upheld. He thought that there had been a misrepresentation looking at the questions and responses on the insurance application.

Mr S didn't agree with the investigator asked for an ombudsman's decision, and so the complaint came to me to decide.

I issued a provisional decision on the complaint. My provisional findings were as follows:

## **Misrepresentation**

Covea have said that they consider that Mr S made a careless misrepresentation at renewal by undervaluing his valuables, and if they had known the true value, they wouldn't have offered cover. They have shown us the evidence that supports this so I'm satisfied that cover would have been declined.

The relevant law when considering complaints about misrepresentation is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA).

However, I should explain here that CIDRA only applies to statements of fact, not matters of opinion. And in my view, the estimated value of contents or valuable items within a household is a matter of opinion rather than a statement of fact. I say this because valuations are a matter of the professional opinion of the valuer. And multiple valuers could reach different valuations for the same item and that wouldn't necessarily mean any were incorrect, just that the valuers' opinions were different. Therefore, CIDRA doesn't strictly apply to the circumstances of this complaint because it concerns matters of opinion rather than fact.

However, Covea voided the policy and refunded premiums as if this was a careless misrepresentation under CIDRA, and so in considering this complaint, I've taken account of the obligations and requirements of CIDRA when deciding if Covea have treated Mr S fairly.

Having done so, even if CIDRA did strictly apply to the circumstances of Mr S's complaint, I don't think Covea acted fairly by determining Mr S had made a qualifying misrepresentation. I'll explain why.

As the claim was made after a policy renewal in 2023, and Covea have voided the policy back to the renewal date of 13 March 2023, I've looked at what happened at renewal, to see if Mr S took reasonable care when responding to any questions or statements about the cover he needed for his valuable items.

*At renewal the documents were sent out and the covering letter says:*

*"Before any renewal, you should check that the policy still meets your needs."*

And

*"it's a good idea to double check that your details are correct, as mistakes can affect payment of claims or could even void your policy."*

On the statement of fact it says:

*"Please read this document carefully as it is a record of the information provided by you that your policy is based on. If you are satisfied that, to the best of your knowledge & belief, the information contained below is correct, you do not need to do anything however if any of the facts are incomplete or incorrect, you should contact us on 0345 2661660. Failure to do so could result in:*

- any claim you make being rejected or not fully paid*
- your insurance being cancelled or treated as though it never existed*
- different terms being applied to your policy or your premium increasing."*

The statement of fact then went on to list cover of £75,000 for total contents, £25,000 for the total valuables, which included three specified jewellery valuables at £2500, £3500 and £3500

When renewing Mr S's policy, Covea had a duty to provide Mr S with information that was clear, fair and not misleading, so that he could understand what information he needed to provide.

In my view this includes ensuring the consumer was reasonably aware of the information they needed to provide, together with providing a reasonable level of guidance about that.

But when considering the information on the renewal notice about what Mr S needed to check, I don't think that asking Mr S if "*to the best of your knowledge and belief the information contained below is correct*" makes it sufficiently clear to Mr S that he needed to obtain up to date specific valuations for his jewellery to ensure that the cover level was correct, or that failing to do so could result in the whole policy being voided, and it didn't provide any guidance to support Mr S on how to obtain and provide a more reasonable estimate.

So, I don't think Mr S would have reasonably understood that he was being asked to provide an accurate up to date valuation to cover the full replacement cost of all his valuables.

At the time of renewal, Mr S was living alone in the property, renting it. He says that when he took out the policy, and at renewal, he based his estimate of the valuable items on the last valuation he had from 2014 – which he has evidenced.

He clearly had an understanding that they may have increased in value since 2014 as he had uplifted the value of the three specified items from their 2014 valuations when putting them as specified items on the policy, but I think it was reasonable for him to assume that £25,000 would give him enough valuables cover to include an increase in the value of jewellery from £15905 in 2014. The price of gold has risen significantly in recent years, but I can understand why Mr S still thought he had enough cover at £25,000.

And so, I'm not satisfied that Covea are acting fairly when voiding the policy and declining he claim.

### **Settling the claim**

I've then thought about what a fair outcome is for settling this claim.

During the course of the policy year, Mr S's ex wife purchased the property off Mr S's landlord and moved in - as they were attempting a reconciliation after many years of separation. However, Mr S retained his contents policy for his own items, and Mrs S took out a separate buildings and contents policy to cover the buildings, and her own personal contents items.

Mrs S's jewellery was placed in the safe along with Mr S's and was stolen at the same time. Mrs S's insurer has validated and paid her claim but there was initially some confusion over what Mr S was claiming for, and which items on the 2014 valuation list belonged to each of them.

I understand that in his initial notification of loss to Covea, Mr S indicated he owned three items on the 2014 valuation list, which he has subsequently told us that he was mistaken about – two were necklaces which were his wife's and formed part of her claim, and one item (6 baby bangles) had been sold in 2019. He did provide the loss assessor with an amended highlighted list at the visit, but that still erroneously included the baby bangles, which he has now clarified were sold.

So, the items which Mr S confirms belonged to him and have been stolen are:

Item number	Description	2014 Valuation	Covea 2024 valuation
7	1 Long necklace set (specified item)	3148	6892.08

12	3 Baby bangles 22ct	1078	2360.78
13	1 Mens Kara 22ct (specified item)	1556	3407.13
15	1 Bangle 22ct	692	1496.03
16	5 pairs earrings 22ct	972	2127.30
17	1 chain 22 ct	596	1288.48
19	1 hand bracelet 22ct	560	1210.65
20	1 chain and locket 22ct	788	1703.56
21	1 chain and locket 22ct	2366	5179.88
22	2 chains 22ct	715	1565.21
23	1 plain bangle 22ct	782	1712.22
24	2 kids bracelets 22ct	751	1643.04
25	2 Baby bangles 22ct	536	1158.77
26	2 baby rings 22ct	145	311.31
27	1 baby Kara 22ct	644	1426.84
28	1 pair earrings 22ct	108	233.48
29	1 Chain 22ct	468	1011.76
<b>Total value</b>		<b>£15905</b>	<b>£34728.52</b>

Covea's up to date valuation of these items would place them at a value of £34728.52.

So, it's clear that the estimated current value exceeds the policy limit. And while I don't think Mr S would have reasonably understood that he was being asked to provide an accurate up to date valuation to cover the full replacement cost of all his valuables, I am satisfied that Mr S would have understood that he was setting an upper limit on the cover for contents, and in particular the valuables limit of £25,000.

In these circumstances, I therefore don't think it would be fair or reasonable to ask Covea to pay the full value of £34728.52 for the items above. However, I do think it would be fair for them to pay the claim for all stolen contents and valuables, subject to the policy limits for contents, valuables, non-specified items and cash.

### **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.

Mr S has accepted my provisional decision, but Covea haven't replied, and I'm making my final decision for the reasons I have already stated above.

### **Putting things right**

In order to put things right I think Covea should:

- Reinststate Mr S's policy and have the record of its voidance removed from internal and shared databases
- Settle Mr S's claim for stolen contents and valuables subject to the policy limits for contents, valuables, non-specified items, and cash, and deducting the amount for any premiums that have been refunded.
- To the settlement amount, add 8% simple interest, calculated from the date the policy was voided until the date of the settlement.

**My final decision**

My decision is that I'm upholding Mr S's complaint and directing Covea Insurance plc to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 August 2025.

Joanne Ward  
**Ombudsman**