DRN-5681760

## The complaint

Mr G and Mrs K complain Accelerant Insurance Europe SA/NV UK Branch unfairly avoided their property owners insurance policy and didn't deal with a claim.

Reference to Accelerant include its agents.

## What happened

Mr G and Mrs K own a commercial property. The property was insured with Accelerant. They raised an escape of water claim to Accelerant in October 2023.

When considering the claim, Accelerant thought Mr G and Mrs K had failed to make a fair presentation of the risk when incepting the policy, which started in October 2022. It said they had not made a fair presentation when declaring they had never been the subject of an insolvent liquidation. It said this was a qualifying breach under the Insurance Act 2015 ("the Act") which entitled it to avoid the policy and not deal with the claim. Accelerant opted to return the premiums Mr G and Mrs K paid which, after some delay, was returned.

Mr G and Mrs K didn't think this was fair or proportionate. They said, in brief, while they accept they made a mistake, Accelerant failed to request a full explanation of the circumstances of the liquidation that took place some 10 years prior to policy inception, which they handled with honesty and integrity, by taking over company debts, ensuring staff were paid, and they didn't disadvantage anyone, amongst other things. They were also unhappy with the way in which Accelerant handled their complaint.

Our Investigator didn't recommend the complaint be upheld. He thought Mr G and Mrs K had not made a fair presentation, and Accelerant's actions were in line with the Act. Mr G and Mrs K didn't agree, so I must decide the complaint.

## 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.

There is a great deal of correspondence for this complaint. Many points have been made in relation to this matter – I've not addressed each one individually. Instead, I've focused on what I consider to be the key points. I mean no discourtesy to either party by this – it simply reflects the informal nature of this Service.

Having considered this matter, I've decided not to uphold it. I'll explain why.

The Act sets out a policyholder must make a fair presentation of the risk, such as disclosure of every material circumstance which the policyholder knows or ought to know, or disclosure which gives the insurer sufficient information to put a prudent insurer on notice that it needs to make further enquiries for the purpose of revealing those material circumstances.

The policy was incepted in October 2022. Page one of the Statement of Fact document included a disclosure which set out:

> *"This is a record of the statements that you have made when applying for this Insurance. Please carefully check that the facts and statements below are truthful and accurate. If there is any incorrect, misleading or missing information, please let us know as soon as possible. Failure to notify us of any errors or missing information could lead to your policy being cancelled or amended and/or a claim not being paid. This is a record of the statements that you have made when applying for this Insurance."*

The document goes on to ask:

> *"Has the Proposer, any Director or Manager of the Proposer (if a company), or any partner (if a firm):*
>
> *…*
>
> *c) ever been declared bankrupt, been the subject of a county court judgement(s) (CCJ or Scottish equivalent), winding up order, insolvent liquidation or administration (voluntary or mandatory) or have made any composition or arrangement with creditors or been a director or partner of a company which has gone into insolvent liquidation, receivership or administration, or ever been disqualified as a director?"*

I find the above statement to be clear. Mr G and Mrs K answered "no" to question "C". I am satisfied this was not a fair presentation of the risk. A fair presentation of the risk would have been them answering "yes". I say this because all parties accept Mr G and Mrs K were directors of a company which is dissolved following a liquidation between 2011 and 2012.

Mr G and Mrs K have detailed the circumstances surrounding the voluntary liquidation as I set out above. They also noted the time between this and the policy inception with Accelerant meant this event got lost in time. But I find this information was material information they knew, or ought reasonably to have known about, given its significance to a previously well-established business for which they have detailed.

Accelerant has shown underwriting evidence confirming that had Mr G and Mrs K made a fair presentation of the risk, it wouldn't have provided them with cover. This information is commercially sensitive so I can't share this with Mr G and Mrs K, but having reviewed Accelerant's underwriting criteria, I am satisfied it has shown Mr G and Mrs K's failure to make a fair presentation of the risk constitutes a qualifying breach under the Act.

Accelerant treated this qualifying breach as neither deliberate nor reckless. I say this because the remedy available to it in these circumstances allowed Accelerant to avoid the policy and not deal with claims, but return the premium paid for the avoided policy. After some delay, that's what happened here. I note there were queries made to Accelerant regarding the withdrawal of the claim and allowing the policy to lapse. Accelerant declined this which was a decision for it to make. It decided to carry out the steps mentioned above which I am satisfied were fair and in line with the Act.

Mr G and Mrs K were dissatisfied with the way in which Accelerant handled matters – namely: communication and delays to responding to their concerns. Accelerant paid them £200 compensation to recognise these service failings. I find Accelerant ought to have handled matters better – and with a more appropriate level of customer service, but I am not persuaded these service failings made a material difference to the overall decision to avoid the policy. But nevertheless, these failings would have added to Mr G and Mrs K's overall frustration and distress. It follows I find £200 to be fair and reasonable in the circumstances of this complaint.

In conclusion, I am satisfied Accelerant's actions were fair and in line with the Act. It follows I don't uphold this complaint. I accept my decision will disappoint Mr G and Mrs K. But it ends what we – in attempting to informally resolve their dispute with Accelerant – can do for them.

## My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs K to accept or reject my decision before 13 October 2025.

Liam Hickey
**Ombudsman**