

The complaint

Mr M has complained that Zurich Insurance PLC ("Zurich") has declined a claim and voided his property insurance policy.

What happened

The background to this complaint is well known to the parties, so I won't repeat it again here in detail. In summary Mr M's home was burgled in January 2019. Zurich declined his claim – it said that he had failed to declare significant works on his property at both the 2017 and 2018 renewals and that Mr M had confirmed that the remedial works exceeded £100,000. Zurich said that had it been aware of these structural alterations it would have declined to underwrite the risk.

Unhappy, Mr M referred his complaint to our Service. The investigator initially recommended that it be upheld. He was satisfied that Mr M had failed to take care at the renewal stage but didn't find that Zurich had satisfactorily shown that the misrepresentation was a qualifying one. Zurich then produced further evidence in the form of a statement from a Senior Technical Underwriter. On receipt of this the investigator concluded that Zurich had shown that the misrepresentation was qualifying and that it wouldn't have offered cover if it had been made aware of the renovation works.

A copy of this statement was shared with Mr M. Mr M made detailed arguments in response – in essence he didn't feel that Zurich had honestly represented his situation to its underwriter. Mr M felt that he had been treated unfairly.

As no agreement has been reached the matter has been passed to me to determine.

For simplicity of reading this decision, all references to Zurich include the previous underwriter for whom Zurich now takes responsibility.

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.

I'd like to reassure Mr M that whilst I've summarised the background to this complaint, I've carefully considered all that he has said and sent to us in response to the complaint he made to this service and further submissions relating to the Senior Technical Underwriter's statement. As explained to Mr M, aside from these submissions, further evidence submitted in September 2025 hasn't been considered in this complaint or shared with Zurich.

Importantly, in this decision I haven't commented on each point or piece of evidence rather I've focused on what I find are the key issues here. I mean no discourtesy by this - our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

I recognise that Mr M will be very disappointed by my decision, but I agree with the conclusion reached by our investigator, and I don't uphold the complaint. I'll explain why.

The relevant regulator's rules say that insurers mustn't turn down claims unreasonably. So I've considered, amongst other things, the policy renewals to decide whether I think Zurich treated Mr M fairly by declining his claim.

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.

And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is - what CIDRA describes as - a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer has to show it would have offered the policy on different terms or not at all 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 the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.

Zurich declined Mr M's claim as it said that Mr M failed to take reasonable care not to make a misrepresentation in that he failed to declare structural works to the insured address. This was in response to the Statement of Fact supplied at renewal in November 2017 and November 2018 which declared: *The property and any outbuildings are not undergoing, or due to undergo, any works, refurbishments or renovations.*

There was also a general policy condition which required the policyholder to notify the insurer of any changes to the information provided in the Statement of Fact – changes to be notified included but were not limited to: *any proposed building, restoration, renovation and/or maintenance works where the estimated value of all phases of the project is more than £100,000 including VAT and materials provided by you and/or work involves structural alteration to the building or outbuildings.*

Mr M said that he had read the renewal documents, but not everything in detail. He accepts that he didn't notify Zurich about the structural works. He says this was an error and not deliberate.

There is a section in the renewal documentation which said the following:

Disclosure of Information

You are reminded that you have a duty to ensure that the information shown in this statement or fact is correct and to the best of your knowledge. The information you have provided has been used in deciding to accept this insurance and in setting the premium and terms. You must therefore ensure that you have taken reasonable care to ensure that the information is accurate and that you have not made a misrepresentation to us.

Failure to provide us with the correct information may invalidate your policy or may result in any loss, damage or legal liability not being covered under your policy.

In addition, please remember that you are required to tell us as soon as possible of any changes to this information or changes that may increase the risk of loss, damage or legal liability where this occurs during the period of insurance or at renewal of the policy. Failure to do so may invalidate your policy or may result in a loss, damage or legal liability not being covered under your policy.

If you are in any doubt regarding the meaning of a question or the information being requested of you please contact us or your insurance intermediary.

This was followed by a declaration, in short declaring that the information given in the Statement of Fact was correct and reasonable care had been used to ensure that the information was correct when providing answers to the questions asked.

In the circumstances I don't find that it was unfair for Zurich to conclude that by not notifying Zurich of the works to his property, Mr M failed to take reasonable care not to make a misrepresentation.

I make this finding having taken into account the clear wording of the renewal documents and the detailed representations of both parties. In particular I'm satisfied that Zurich clearly communicated the importance of answering the questions asked and the possible consequences of not doing so. Had the works been disclosed, I'm satisfied that Mr M would have been presented with a questionnaire to complete in relation to the works, which would have then been considered by the underwriter to assess the risk proposed.

I'm also satisfied that it was also reasonable for Zurich to take into account all planned works would total over £100,000. Mr M's account was that the works began in March 2017 and completed in early 2018 with decoration works continuing until October 2018. Although Mr M has said that the works weren't continuous, I don't find Zurich's conclusion that this was one sequential project unreasonable. Importantly had the works been disclosed in 2017 no renewal would have been offered in 2018.

Mr M has now said that the works weren't self-managed, but this doesn't accord with his comments that he was managing the works. I do accept that they this may have been said in the context of being particular about the quality and standards of work. But it is also the case that this wasn't a project whereby one primary contractor researched and appointed contractors directly, taking on the responsibility of choosing reputable contractors. This point is made in the statement of Zurich's Senior Technical Underwriter; I'll refer to as "LG". I accept that this, together with the cost and structural changes, would have made the risk 'highly unappealing' and not one that Zurich would not have undertaken.

In response to LG's statement Mr M has submitted statements from underwriters (one a former underwriter) of different insurers; his view is that this confirms they would have accepted this risk. Even if the statements were interpreted in this way, different insurers will set different parameters and have different risk appetites. But I don't find what other insurers would have done is relevant to the risk that Zurich was prepared to take, which is set out

clearly in the statement of LG. I haven't disregarded Mr M's submission that LG was misled by Zurich, but I have found no evidence that this is so.

I'm satisfied from the evidence of LG that had the Statement of Fact not been agreed to, cover wouldn't have been offered. LG makes clear (as I find did the earlier Senior technical Underwriter "JP" – Mr M has seen evidence of this at exhibit LG1) that neither self-managed works or structural works would have posed an acceptable risk. That is, I'm satisfied that the misrepresentation was a qualifying one. For completeness and in response to a submission Mr M has made, it was not Mr M himself that would have been considered high risk and beyond Zurich's appetite for risk – but the works he was undertaking/proposing to undertake at the risk address.

Zurich has treated the misrepresentation as deliberate or reckless. Given that Mr M read the documents, I find it would have been apparent to him that this was material information that Zurich wanted to know in order to assess the risk. I think therefore that it was fair to find the misrepresentation was reckless in that Mr M knew, or must have known, that the information given was both incorrect and relevant to Zurich, or he acted without any care as to whether it was either correct or relevant. Zurich has cancelled (avoided) the policy and declined the claim. These actions are in line with the remedies available to it under CIDRA. It wasn't obliged to return the premiums Mr M had paid.

Mr M has taken issue with Zurich's conclusion regarding 'moral hazard'. I understand that Mr M feels strongly about this. But it is not necessary for me to make any finding here, because, as set out above, I find that that Zurich was entitled to act as it did on the basis of the misrepresentation alone.

I do appreciate that this has been very stressful for Mr M and it is not disputed that he has suffered a loss. But in all the circumstances I don't find that Zurich has treated him unfairly, unreasonably or contrary to law. I'm sorry that my decision doesn't bring welcome news.

My final decision

For the reasons given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 November 2025.

Lindsey Woloski
Ombudsman