

## **The complaint**

The directors of “A”, a limited company, have brought a complaint about INTACT INSURANCE UK LIMITED (“Intact”) following its decline of a claim.

## **What happened**

In June 2024, A’s tenant reported that a lorry had reversed into the front boundary wall of A’s property. A made a claim to Intact for the damage caused. This damage included a large crack in the wall, loose brickwork and a damaged fence.

Estimates for repair were provided, and Intact’s claims team began to review the information. It ultimately declined the claim on the basis that the large crack and loose brickwork in the front boundary wall pre-dated the policy’s inception. A disagreed and said there was a difference between the pre-existing damage and the new damage. But Intact said the damage was the same and that as the claim facts had been misrepresented, it would be voiding the policy.

The policy was voided on 5 December 2024 and in its voidance letter, Intact referred to online street-view images which were taken in March 2024, before the claim was made, which Intact says showed the damage was pre-existing.

On 9 December 2024, another claim was raised when a wall fell following a storm. But the cancellation of the policy had been effected from June 2024 when the first claim was made, so Intact also declined the second claim for storm damage.

A made a complaint. It said it had made the claims in good faith and Intact had caused unreasonable delays. Intact reiterated, in response to A’s complaint, that the evidence (namely street-view images) showed the claim facts had been misrepresented and that this amounted to a fraudulent act, which meant it was entitled to exercise its right to declare the policy void.

A didn’t accept Intact’s response and referred its complaint to this service. Our Investigator considered the complaint, but didn’t think it should be upheld. She said Intact had declined both claims fairly. Because A didn’t agree with our Investigator, the complaint has now been referred to me for an Ombudsman’s decision.

## **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.

As this is an informal service, I’m not going to respond here to every point raised or comment on every piece of evidence A and Intact have provided. Instead, I’ve focused on those I consider to be key or central to the issues in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I’m not upholding this complaint. I’ll explain why.

The insurance industry regulator, the Financial Conduct Authority (FCA), has set out rules and guidance about how insurers should handle claims. These are contained in the 'Insurance: Conduct of Business Sourcebook' (ICOBS). ICOBS 8.1 says an insurer must handle claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress; and not unreasonably reject a claim. I've kept this in mind while considering this complaint together with what I consider to be fair and reasonable in all the circumstances.

A's policy is a Property Owners Insurance Policy. As this is a commercial policy, the relevant legislation for me to consider is therefore the Insurance Act 2015. Under the Act, there are certain remedies available to an insurer when a commercial policyholder makes a fraudulent claim.

Under section 12 of the Insurance Act, if a fraudulent claim is made, the insurer:

- Isn't liable to pay the claim.
- Can recover any sums paid to the policyholder in respect of the claim.
- May, by giving notice, treat the contract as having been terminated from the time of the fraudulent act; and
- Doesn't need to return any of the premiums paid.

In A's case, Intact has relied on online street-view images which it says proves the fraudulent nature of the claim. So I've looked into this further to determine whether Intact's allegation is a fair one.

The images I've seen show the wall outside the property in March 2024, before the policy was taken out and before the claim was made. There's a large crack in the wall and some loose brickwork towards the bottom of the wall. In the image which supported the claim notification, the wall looks almost identical, with the large crack visible and the loose brick now missing. So I can certainly appreciate why Intact was satisfied the damage was pre-existing. I say this because the vast amount of damage, save for one brick, is identical in the two images.

A said, in its claim notification email, that the picture it was sending was "*of a wall which has been hit by a lorry reversing*". No distinction was made between the damage being claimed for and any pre-existing damage not being claimed for – so it was reasonable for Intact to conclude that all the damage was being claimed for. It did however ask A about the pre-existing damage and A responded saying that a brick had now been knocked out. However, the same brick could be seen hanging out of the wall in the earlier image, so I can understand why Intact didn't accept this response and proceeded with the voidance of the policy.

In response to our Investigator's assessment, A said that section 12 of the Insurance Act had been applied unfairly because it required clear proof of a fraudulent act, and not merely a presumption. A said there was no evidence of fraudulent intent, but my role isn't to determine if A acted fraudulently. It's to assess whether, based on all the available information, it was fair and reasonable for Intact to reach the conclusions it did and take the action which followed. And I'm satisfied in this case that it didn't apply section 12 unfairly.

Whilst clear proof of a fraudulent act would without doubt lead to a policy's voidance, the standard of proof is the balance of probabilities, meaning the insurer would need to show it's more likely than not that a fraudulent claim was made. The Act itself doesn't define what a

fraudulent claim is, so common law principles apply here and the insurer would need to be satisfied that either a false representation was made knowingly, or without belief in its truth, or recklessly (without caring if it's true or not).

A has said that as a busy landlord managing a diverse property portfolio, it wouldn't have been operationally feasible to inspect every property regularly. But A was under an obligation to make a claim that was factually correct and not dishonest or reckless. In this case, as the damage was clearly pre-existing and A didn't visit the property and seemingly hadn't done so in months (or it would've noted the damage to the wall much earlier) I think it was fair for Intact to consider this a reckless claim, which would mean it was fraudulent.

It follows therefore, that as the voidance of the policy was reasonable in the circumstances, I also consider it was fair for Intact to decline the second claim, as no valid policy existed.

A has complained of delays of over six months, which I think is fair considering how long the process took. But I have to consider the impact of those delays. The wall was damaged before the claim, and there were tenants in the property, so I don't consider the delays in the claim journey to have impacted A considerably. And the issue of fraud was a complex one, so I don't think those delays were wholly unreasonable given the circumstances.

Taking everything into account, I'm not requiring Intact to do anything further or differently here, for the reasons I've given.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 12 November 2025.

Ifrah Malik  
**Ombudsman**