

The complaint

Mr O complains that Accredited Insurance (Europe) Ltd voided his home insurance policy.

Any reference to Accredited includes its agents.

What happened

Mr O took out a home insurance policy with Accredited online, and the policy started on 24 February 2020. He told Accredited during a conversation in February 2025 that he'd entered into a Trust Deed in November 2022. So, Accredited said this should have been declared before Mr O's home insurance policy renewed in February 2023. Had he done so, Accredited said it wouldn't have renewed the policy. So, it voided the policy from the February 2023 renewal and refunded Mr O the premiums he'd paid since then.

Mr O didn't think Accredited had acted fairly or reasonably. In short, he said that Accredited hadn't considered his circumstances as a vulnerable customer. He said the misrepresentation was careless, and voiding the policy was unnecessarily punitive. Mr O said he wasn't aware that a Trust Deed was something he needed to declare, as this was completely unrelated to the risk.

One of our investigators reviewed the complaint. Having done so, she didn't think Accredited had acted unfairly or unreasonably in the circumstances. This was because it had followed the relevant law and acted accordingly.

Mr O didn't agree with the investigator's findings, and he made several points. In short, he said the following:

- The policy renewed automatically and Accredited never asked him the relevant questions directly, rather, he would have needed to access these online.
- Voiding the policy isn't a proportionate remedy in the circumstances, Mr O was a vulnerable customer, and the impact on him is lifelong.
- Accredited didn't act fairly or reasonably in how it handled its communications with Mr O.

To resolve the complaint, Mr O wants Accredited to only cancel the policy or simply refuse to renew it, and pay him compensation for the distress and inconvenience caused. As no agreement was reached, the complaint has been passed to me to decide.

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 O has made detailed arguments in support of his complaint. I've considered everything, but I've only addressed the points that I consider to be material to the outcome – as I'm required to do. This isn't intended as a discourtesy; it simply reflects the informal nature of this service.

The key considerations here are the principles set out in the Consumer Insurance (Disclosure and Representations) Act 2012 (“CIDRA”). This is designed to make sure that consumers and insurers get an appropriate remedy if a policyholder makes what is called a “qualifying misrepresentation” under the Act.

A misrepresentation is a “qualifying misrepresentation” when 1) a consumer fails to take reasonable care not to misrepresent facts which the insurer has asked about, and 2) the insurer shows that without the misrepresentation it would not have entered into the contract at all or would have done so only on different terms. And a failure by the consumer to comply with the insurer’s request to confirm or amend particulars previously given is also capable of being a misrepresentation. If there is no qualifying misrepresentation, the insurer cannot take any action.

When considering reasonable care, the standard of care required is that of a reasonable consumer. And one of the factors to be considered when deciding if a consumer has taken reasonable care is how clear and specific the questions asked by the insurer were.

Before Mr O’s policy renewed in February 2023, Accredited sent him an email to explain that his policy was due to renew. This email also said under “Important information” the following:

“Our renewal decision is based on your request for cover and what you have told us about your home. This information is recorded in your questions and answers, which can be found in your online account. Please take a moment to review this document along with your policy schedule (which was sent to you previously) as you need to let us know if anything is incorrect.”

I appreciate Mr O would have needed to access his online account to review the information. But ultimately, I think it was Mr O’s responsibility to review the questions and answers he’d previously given to ensure they were correct, as this is what Accredited asked him to do. I don’t think it’s material that Mr O didn’t consider there to have been a change in his circumstances, or that the Trust Deed was a material factor for his home insurance policy. This is because Accredited asked him to review the information, and I’m satisfied he should have reasonably done so.

I’ve then considered what should have happened, had Mr O reviewed the information. The questions and answers document said the following:

“Please check all the questions and answers below, and tell us immediately if any details are incorrect, incomplete or have been omitted. If your information is not correct, we may reject your claim or only pay part of it. Or, we may cancel your insurance policy or declare it to be void and treat it as though it never existed.”

And the following question was included in the questions and answers document:

“Within the last 5 years, have you or any of the residents been declared bankrupt (or sequestrated if in Scotland) or applied for an Individual Voluntary Arrangement (IVA), Trust Deed, or Debt Relief Order, whether declared or not?”

And the answer to this was recorded as No, but Accredited says Mr O should have changed this to Yes as he’d entered into a Trust Deed in November 2022.

I think this question was clear, and I agree Mr O should have answered this Yes, as he’d entered into a Trust Deed in November 2022. So, I think Mr O failed to take reasonable care when he didn’t review the information Accredited had asked him to review and change the answer to this question as Yes. This means that he made a misrepresentation under CIDRA.

Accredited has shown that had Mr O answered this question as Yes, it wouldn't have renewed the policy. This is Accredited's commercial decision that it's entitled to make, and I'm satisfied it has treated Mr O the same it would any other customer in a similar situation. So, this means that it has shown that Mr O's misrepresentation was a qualifying one, as Accredited wouldn't have entered into the contract at all at the February 2023 renewal, had there been no misrepresentation.

Accredited has accepted the misrepresentation was careless, rather than deliberate or reckless. This means that under CIDRA, Accredited can void the policy but it must return Mr O the premiums he paid. And this is what it has done, so I'm satisfied Accredited has acted in line with the relevant law.

I've also reviewed the renewal information from February 2024 and February 2025, and I'm satisfied that Accredited again invited Mr O to review the information, it asked him the same questions, and its underwriting criteria remained the same. So, I'm satisfied that Accredited's actions to backdate the policy voidance to February 2023 was fair and reasonable, and in line with CIDRA. And it told Mr O clearly on 20 February 2025 that it would void the policy due to misrepresentation, which was prior to the February 2025 renewal date.

I appreciate Mr O doesn't think the remedy is proportionate. But it's clearly set out in CIDRA that this is the action Accredited is entitled to take in the circumstances. I don't think the impact this has on Mr O is Accredited's responsibility to mitigate.

Mr O says Accredited failed to consider him as a vulnerable customer. But I'm not persuaded that Mr O's circumstances meant that he acted reasonably by not reviewing the information Accredited asked him to review. Overall, Accredited simply followed the relevant law. I don't think Mr O's circumstances mean it acted unfairly or unreasonably by doing so.

Mr O has also raised other concerns about how Accredited handled everything, including its communications with him. But I don't think the concerns he's raised mean that Accredited didn't act fairly or reasonably when it acted in line with CIDRA when Mr O made a qualifying misrepresentation.

I'm sorry to disappoint Mr O, but I don't think there's anything else Accredited needs to do, to put things right.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 16 February 2026.

Renja Anderson
Ombudsman