

The complaint

Mr S and Mrs S complain about Accredited Insurance (Europe) Ltd's handling of their buildings insurance claim.

All references to Accredited also include its appointed agents.

What happened

Below is intended to be a summary of the key events forming this complaint.

- Mr S and Mrs S purchased a property around 2019. Prior to the purchase they had a survey completed. At the time, the surveyor noted previous damage, and movement had occurred at the property in internal and external areas. They noted the movement was likely historic and wasn't continuing to occur.
- In 2024, Mr S and Mrs S said they noticed new cracking appearing in the home and initiated a claim.
- Accredited attended the property to inspect the damage. Mr S and Mrs S also provided a copy of the surveyor's report from 2019.
- Accredited have since taken the decision to void the policy back to the date of inception. It said when the policy was taken out about whether there was cracking at the property – to which Mr S and Mrs S answered 'no'.
- The policy has subsequently renewed in following years; at renewal the following question has been asked:

"Within the last 10 years, has your property shown signs of cracking on the internal or external surface of an outside wall or party wall, whether this has been repaired or not?"

- Mr S and Mrs S answered 'no' to this question. However Accredited said this was incorrect. It said there was preexisting cracking at the property and so this question should have been answered as 'yes'.
- Mr S and Mrs S have pointed to the surveyors' report – which highlights the movement is historic and that the cause, nearby trees, had been removed.
- In its final response letter, Accredited maintained its position. It said the question didn't ask if movement or cracking was historic. So, if the cracking was present and visible now, or if cracking had appeared and subsequently been repaired within the ten-year period asked by Accredited, irrespective of when it first occurred, the answer to this question should have been yes.
- Accredited said it asked a clear question in relation to cracking at the property and had Mr S and Mrs S provided correct information in response, it would not have offered cover as this falls outside of its acceptance criteria.
- Mr S and Mrs S weren't satisfied with Accredited's response, so they brought their complaint to our service. They reiterated that Accredited's decision was unfair and that the question it asked about the cracking was ambiguous and unclear. And had it been asked in the way Accredited said it was intended, they would have answered

yes.

Our investigator's view

Our investigator didn't recommend the complaint be upheld. She said Accredited had asked a clear question and that she wasn't persuaded Mr S and Mrs S had taken reasonable care when answering it. Therefore, she felt Accredited had acted fairly in taking the action it had. Mr S and Mrs S disagreed and asked for an ombudsman to review the matter. They maintained that they hadn't been treated fairly by Accredited as it had made the decision to avoid the policy back to inception without discussion or consideration of all the facts.

They said their answer to the question about the property showing signs of cracking in the last 10 years was accurate and correct.

My provisional decision

I issued a provisional decision on 28 July 2025. In my provisional findings, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I intend to uphold the complaint. Accredited have said Mr S and Mrs S made a qualifying misrepresentation. I've looked at the relevant law, which in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA).

This law says a consumer needs to take reasonable care not to make a misrepresentation when taking out an insurance policy. And if they do make a misrepresentation and an insurer would have taken different action, had it been aware of the correct information, then the insurer would be entitled to take that action now.

To be able to decide if Accredited has acted reasonably in avoiding the policy, I need to consider the question asked to see if I think Mr S and Mrs S made a qualifying misrepresentation.

The question asked was:

"Within the last 10 years, has your property shown signs of cracking on the internal or external surface of an outside wall or party wall, whether this has been repaired or not?"

I can see Mr S and Mrs S answered 'no' to this.

They had a survey commissioned in 2019 which set out any cracking or signs of movement were historic, and they have said based on that they didn't think there had been any new cracking in the required timeframe.

Accredited has suggested that any cracking noticed on the property in the last ten years, regardless of when it occurred should have been declared. Therefore, it suggested that as the cracks existed, Mr S and Mrs S should have answered the question positively. However, I'm not persuaded this is a reasonable interpretation of the question asked.

While the term historic doesn't provide a timeframe, I don't think it was unreasonable for Mr S and Mrs S to believe that this wasn't something that happened within the last ten years. I also consider that Accredited hasn't been able to date how old the cracks to the property are, so it can't say with any certainty that Mr S and Mrs S have answered the question incorrectly.

Based on the information available to Mr S and Mrs S from the survey that had completed, and the question asked, I think when they answered the question they did so to the best of their knowledge. So for the above reasons I don't think a qualifying misrepresentation has occurred here.

Therefore, I intend to direct Accredited to reinstate cover, and deal with the new claim made. It also should remove any history of the voidance from any relevant industry databases.

When considering the concern Mr S and Mrs S have experienced in not having cover, and no means to proceed with rectifying matters, I think it appropriate Accredited pay them £250 compensation for the distress and inconvenience caused by its actions.

Putting things right

To put things right I intend to direct that Accredited should:

- *Reinstate cover and remove any evidence of the cancellation from relevant databases.*
- *Proceed to assess the claim under the remaining terms and conditions of the policy.*
- *Pay Mr S and Mrs S a total of £250 compensation."*

Responses to my provisional decision

In response to my provisional decision Mr S and Mrs S have provided detail of their quoted insurance premium for the next year – which they've said is up for renewal shortly.

Accredited said the original question Mr S and Mrs S were asked was whether the property showed cracking in the external walls. It said the question changed in subsequent renewals (including the most recent) to the wording referenced in my provisional decision.

I clarified via our investigator that the relevant question relates to the one Mr S and Mrs S answered during renewal. Accredited have responded to say they accept my provisional 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.

I've reconsidered all the available information along with Accredited's additional comments, but it doesn't change my decision – or my reasoning. I understand it has accepted my provisional findings, but I will clarify my reasoning again here.

When Mr S and Mrs S renewed the policy, Accredited asked a different question to the one asked at point of sale.

This is the relevant question I need to consider here and as I've set out above, based on the information available to Mr S and Mrs S from the survey completed prior to their purchase, and the question Accredited asked at renewal, I think this was answered to the best of their knowledge. Additionally, I haven't seen any information that shows how old the cracks to the property are, so again I can't say with any certainty that Mr S and Mrs S have answered the question incorrectly.

So I don't think a qualifying misrepresentation has occurred here.

Regarding the renewal of the policy, it will now be for Accredited and Mr S and Mrs S to liaise regarding the matter.

Putting things right

To put things right, I direct Accredited to:

- Reinstatement cover and remove any evidence of the cancellation from relevant databases.
- Proceed to assess the claim under the remaining terms and conditions of the policy.
- Pay Mr S and Mrs S a total of £250 compensation.

My final decision

My final decision is that I uphold Mr S and Mrs S's complaint.

To put things right I direct Accredited Insurance (Europe) Ltd to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 9 September 2025.

Michael Baronti
Ombudsman