

The complaint

Ms P complains that Covea Insurance plc refused to pay a claim on her motor insurance policy then cancelled it as if it hadn't existed, known as voidance.

Ms P's policy is branded in the name of a motoring organisation. But Covea underwrites the policy and provides the cover. So, it remains responsible for claims decisions and responding to complaints. I will therefore only refer to Covea within this decision.

In bringing this complaint, a law firm has represented Ms P. But for ease of reading, I'll refer to the representative's comments as being Ms P's.

What happened

Ms P insured her car with Covea. When she did so she said she lived at an address I'll call address P. Ms P's car was stolen from another address I'll call address K. She said she was visiting relatives at the time. She claimed for the theft of the car on her policy.

When Covea was looking into her claim it noted some anomalies. For example, Ms P's driving licence showed another address, address S. The finance on her car was in someone else's name who also lived at address S. The most recent V5 for the car showed the registered keeper as living at address K.

Ms P provided various explanations for these anomalies though she initially said she lived at address P. She gave Covea a recent invoice for fuel from address P to show she lived there.

Covea appointed investigators to look into the claim. They interviewed Ms P. She then acknowledged that she had lived at address K when she took out the policy and when the car was stolen. Covea believed Ms P had made what's known as a qualifying misrepresentation, concerning her address, when she took the policy out. And as it wouldn't have offered the policy at all but for that misrepresentation, it voided the policy and returned her premium.

Ms P brought her complaint to the Financial Ombudsman Service. We referred her to Covea in the first instance. It didn't uphold her complaint. It said it felt that she had made a deliberate misrepresentation and under normal circumstances would have been entitled to retain her premium. But it said that as it had already reimbursed it, it wouldn't ask Ms P to repay it.

Ms P asked our service to look into her complaint. One of our Investigators considered it. She didn't think Covea needed to take any further action. Ms P didn't agree so the complaint's been passed to me to determine.

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.

Having done so I'm not going to uphold it.

Did Ms P make a misrepresentation?

When applying for an insurance policy a consumer is required to take reasonable care not to make a misrepresentation. That means they are required to answer an insurer's questions

correctly, completely and to the best of their knowledge. And if the consumer doesn't do so, that's known in the insurance industry as a misrepresentation.

There's helpful legislation: the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA) that sets out what insurers may do when a policyholder's made a misrepresentation. So, I need to decide whether or not it was fair for Covea to say that Ms P had made a misrepresentation.

In this case Ms P was looking for quotes from a comparison website. That site asked her where she lived and explained that this would be the address where she would usually keep her car overnight. I'm satisfied that's a clear question. Ms P said she lived at address P. But, when Covea's investigators were looking into the claim, Ms P acknowledged that she didn't live at address P. She had lived at address K throughout the term of the policy. So, I don't think she took reasonable care to answer Covea's questions correctly and to the best of her knowledge. In those circumstances I'm satisfied that she made a misrepresentation.

Was the misrepresentation a qualifying one?

In order for an insurer to have a remedy under CIDRA, a misrepresentation must be regarded as 'qualifying'. That means the insurer would need to demonstrate that, but for the misrepresentation, it either would not have offered the 'contract' – otherwise known as the policy – at all, or would only have done so on different terms.

I've seen the relevant extract of Covea's underwriting criteria. Those are the internal rules it follows when deciding whether or not to offer policies. And the relevant criteria are that Covea won't offer a policy in Ms P's circumstances if she'd declared that she was living and keeping her car overnight, in the way she was, at address K.

I'm aware that Covea hasn't shared much of its underwriting criteria with Ms P. However, such information is commercially sensitive and in those circumstances, I don't think it needs to. But having seen it, I'm satisfied that if Ms P had appropriately answered Covea's questions, via the comparison site, then it wouldn't have offered her a policy. In those circumstances CIDRA allows Covea to decline her claim and void her policy. That's what it did. I think it did so fairly.

Was Ms P's misrepresentation deliberate?

CIDRA splits misrepresentations into two categories:

- deliberate or reckless
- careless

CIDRA says that where a misrepresentation is careless then the insurer must refund the premium. But if it deems the misrepresentation to be deliberate then it may retain the premium.

In this case Covea initially returned the premium. So, it appears it deemed the misrepresentation as careless. But, after looking into Ms P's complaint, it said it thought the misrepresentation was deliberate. However, it didn't ask her to repay the premium.

CIDRA says that it is for the insurer, in this case Covea, to show that the misrepresentation was deliberate. In doing so it isn't required to provide proof Ms P deliberately made a misrepresentation. Instead, it's required to show that on the balance of probabilities, that is what's more likely than not to have happened. In other words, Covea is required to show that Ms P knew the answer she gave was untrue or misleading.

I think it's more likely than not that Ms P knew where she lived and would be living when she applied for the policy. And that wasn't address P. She said that she 'absent mindedly' gave that address when completing the application. But I'm not persuaded by her evidence. She hadn't lived at address P for some time and the V5 for her car was at address K. And her policy documents said she lived at address P. She was required to check these and tell

Covea if there was anything wrong with the information recorded about her. But she didn't tell Covea that the address was wrong.

Also, when asked about her address she provided various inconsistent answers. She also provided an invoice issued to her at address P on a date after the theft. But, she eventually acknowledged that she didn't live at address P. And I think it's more likely than not that she was aware of that at the time she applied for the policy and when she made the claim. In those circumstances I think she knew that the answer she gave was untrue or misleading. As such I think it was reasonable for Covea to conclude that she made a deliberate misrepresentation.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 25 September 2025.

Joe Scott
Ombudsman