

The complaint

Mrs I complains that One Insurance Limited cancelled her motor insurance.

One Insurance used a third party company to handle Mrs I's claim and most of her correspondence has been with this company rather than directly with One Insurance. For the avoidance of doubt, any reference to One Insurance includes its agents, including the claims handling company.

What happened

Mrs I took out car insurance with One Insurance. When she took out the policy, she declared that she was the registered keeper of the car.

In December 2024, she was involved in an accident and made a claim on the policy. When One Insurance looked to validate the claim, it found that Mrs I wasn't the registered keeper of the car – her mother was. It told Mrs I its underwriting criteria didn't allow this, so it cancelled the policy and refunded her premiums.

Mrs I explained that the car *"was gifted to me and used by me as the insured driver"* and brought her complaint to us. She was also unhappy that One Insurance considered her at fault for the accident, and failed to offer her a courtesy car.

Our investigator didn't think One Insurance had done anything wrong. Mrs I disagreed so her complaint was passed to me to make a final 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 both One Insurance and our investigator explained, the relevant law here is the Consumer Insurance (Disclosure and Representations) Act 2012 ('CIDRA'). CIDRA requires consumers to take reasonable care not to make a misrepresentation when they take out an insurance policy. That means the consumer must answer questions on the application truthfully and honestly. The standard of care is that of a reasonable consumer.

If the consumer doesn't do this and the insurer would have done something differently if it had known the correct information, the misrepresentation is classed as a 'qualifying misrepresentation'. CIDRA allows the insurer to have several remedies for a qualifying misrepresentation. For example, if the insurer wouldn't have provided cover, it's allowed to cancel the policy and treat the claim as if the policy never existed.

First, I have to decide if there has been a misrepresentation. That means looking at the question Mrs I was asked and considering how a reasonable consumer would respond. Here, she was asked: *"Is the driver (or will they be) the registered keeper of this car?"* Her Statement of Fact and Insurance Certificate both say the registered keeper is 'Proposer/Policyholder'. In other words, Mrs I said she was the registered keeper.

While I accept Mrs I was the owner of the car, her mother was the registered keeper, shown on the car's V5. The comparison site she used to take out the policy gave some helpful information about this: "Check *whether you're the vehicle's registered keeper by looking at who's name [sic] is on the vehicle's log book (V5C).*" So I'm satisfied that Mrs I was wrong to say she was the registered keeper and was given the information she needed to be able to check this.

One Insurance has provided underwriting information to us that shows it wouldn't have offered her a policy if it had known Mrs I's mother was the registered keeper because it doesn't insure this family relationship.

That means, under CIDRA, One Insurance has shown that Mrs I made a qualifying misrepresentation. One Insurance told Mrs I: "*in cases of a careless misrepresentation the remedy is based on how the company would have acted if the correct information would have been declared, as this is not something we would have provided cover for if we had known of the correct details the correct remedy in this case is for the claim to be declined and the insurance to be deemed void.*" Because it believed the misrepresentation was careless – rather than reckless or deliberate – it refunded her premiums.

I'm satisfied that's reasonable. Under CIDRA, One Insurance is allowed to cancel the policy and treat the claim as if the policy never existed.

Mrs I says One Insurance should have settled her claim on a proportionate basis. But that option is only possible if One Insurance would have insured her despite the misrepresentation. As I've said, it has provided underwriting evidence that it wouldn't have done so. As it considered this a careless representation, it has refunded Mrs I's premiums. I think this is fair and reasonable.

Finally, I'm satisfied that One Insurance's decisions about liability and the courtesy car were reasonable:

- Mrs I emerged from a side road when the other driver hit her. I understand why she doesn't think the accident was her fault but, whatever the other driver's speed, it was her responsibility to make sure it was safe to emerge. I'm satisfied that One Insurance's decision to accept liability was in line with the Highway Code and was fair.
- Under the policy terms, a courtesy car isn't available if the policyholder's car is a total loss. Even if One Insurance hadn't voided the policy, Mrs I wouldn't have been entitled to a courtesy car.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I to accept or reject my decision before 26 October 2025.

Simon Begley
Ombudsman