DRN-5767863

The complaint

Mrs S has complained after China Taiping Insurance (UK) Co Ltd (CTIUK) avoided her policy and declined her claim, following a fire to her static caravan.

What happened

Mrs S has complained after China Taiping Insurance (UK) Co Ltd (CTIUK) avoided her policy and declined her claim, following a fire to her static caravan.

Mrs S took out static caravan cover with CTIUK through an online broker (who has delegated underwriting authority), in February 2022.

Mrs S says she contacted the broker in May 2022, to let them know the caravan had been moved from its pitch on the site. CTIUK say the cover continued on altered terms. The policy renewed in February 2023 and shortly afterwards Mrs S notified CTIUK of a claim, following a fire to her caravan.

The caravan was deemed a total loss, but Mrs S's claim was rejected. CTIUK said that Mrs S had misrepresented the risk, by not disclosing the reasons the caravan had moved, during her call in May 2022.

Mrs S complained, saying she'd answered the questions accurately and fairly, so she brought her complaint to our Service for an independent review. Our Investigator looked into it and didn't think CTIUK had done enough to show they wouldn't have provided cover, had Mrs S given a full and accurate account.

CTIUK didn't agree. They said they had provided evidence from a senior underwriter that they wouldn't have continued to provide cover. They have subsequently said that Mrs S made a misrepresentation at the renewal in 2023, by not accurately disclosing the caravan's true location, security and storage.

As no agreement was reached, the case has been passed to me and I issued my provisional decision on 16 June 2025, an extract of which forms part of my decision below:

> CTIUK says Mrs S deliberately provided false information mid-term. So, they want to avoid the policy back to May 2022, when they say this happened. But the policy renewed since then. Each policy is a new contract and a new application. So, to avoid the policy CTIUK need to show it's the right to do so, due to something Mrs S did wrong at the policy renewal.
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> The relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer.
>
> And if a consumer fails to do this, the insurer has certain remedies provided the

misrepresentation is - what CIDRA describes as - a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer has to show it would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation. CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.

As I said, although CTIUK have said Mrs S made a misrepresentation mid-term (May 2022), the policy subsequently renewed. That is a new CIDRA situation and so that is my focus for consideration. CTIUK thinks Mrs S failed to take reasonable care not to make a misrepresentation with the address she gave at renewal and confirmed in the statement of fact (SOF).

They have also said the policy required Mrs S to let them know of any change of security arrangements at the risk address or any other circumstances which could increase the possibility of loss, damage or injury. And that she didn't do so.

I've looked at what Mrs S told CTIUK in May 2022 and then at renewal in February 2023. When she contacted them mid-term she said the caravan had been moved from a pitch temporarily, due to a reorganisation and pending a sale. The caravan was still in this relocated and apparently temporary position at the time of the fire. At renewal the caravan was still recorded with the original pitch number within its address. I think this was a misrepresentation as the caravan was not being stored on a pitch, but on the entrance road into the site. Mrs S would be aware of this and she was asked as part of the renewal process to check the information CTIUK had was correct. But she didn't do so, so I don't think Mrs S took reasonable care here.

However, for CTIUK to have a remedy under CIDRA, it has to show Mrs S's misrepresentation was a qualifying misrepresentation. To do so it has to show it would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation.

In thinking about this, I've thought about what CTIUK did when Mrs S first told it about the change of location. In May 2022, when Mrs S first told it about the changes it asked her a number of questions and then changed the level of cover. Given this was only a few months prior to renewal, I think it's most likely it would have followed a similar process. But, crucially, I am satisfied that, even if it would have offered the policy, it would have done so on different terms. It follows, therefore, that I'm satisfied Mrs S's misrepresentation was a qualifying one. The remedy available to CTIUK under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless or careless. I think Mrs S's misrepresentation was deliberate or reckless and I'll now explain why.

Mrs S was aware (and has confirmed) the caravan had been moved from its plot due to ongoing issues and disputes. I'm satisfied CTIUK were provided false and inaccurate information in May 2022. At the time she said it was following a reorganisation at the site and pending a sale.

However, there is no evidence there was any pending sale or reorganisation. CTIUK have provided evidence to show that the caravan was move due to a dispute between Mrs S and the owners and following notice being given on her plot.

So, taking everything into consideration, I can't say it was unreasonable for CTIUK to treat the misrepresentation as deliberate or reckless.

> As I'm satisfied Mrs S' misrepresentation should be treated as deliberate or reckless, I've looked at the actions CTIUK can take in accordance with CIDRA, and this allows for them to avoid the policy (retaining the premiums and declining the claim).
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> In light of all this, what CTIUK have done (avoiding the policy, retaining the premium and declining the claim) is fair and I'm not asking them to do anything further.

CTIUK responded to say they accepted the provisional findings and had nothing more to add.

Mrs S responded fully, and I summarise her points in reply below:

- She denied the evidence regarding the dispute with the caravan park and denied any fault for the relationship breaking down.
- She said she notified the insurer immediately after finding out the caravan had been moved from its pitch.
- She said she had informed them of all the details in a call.
- She said she was aware of the endorsement but that she had not misrepresented and had fairly and accurately explained the caravan was in the same park and with the same security.
- She says she was told after the May 2022 change, that she should contact the insurer again if the caravan went back on the pitch.

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, my decision remains as I set out provisionally. Let me explain why.

Firstly, I acknowledge how important this is to Mrs S and the financial consequences this will have for her. However, I have digested and considered her response, but I maintain that it was fair for CTIUK to say she made a qualifying misrepresentation at renewal and that it considered it a deliberate or reckless one.

As I explained, as the policy renewed in February 2023, this is a new CIDRA situation and is the focus of my consideration (rather than any misrepresentation mid-term in May 2022). I maintain that Mrs S made a misrepresentation at renewal. This is because the address confirmed at renewal included the pitch number. Which had been vacated approximately nine months prior.

I am satisfied the misrepresentation was a qualifying one (CTIUK would have offered altered terms or no cover if they had known the correct information). And I am satisfied that CTIUK are acting fairly in considering the misrepresentation as deliberate or reckless. The reason for this is the false information that Mrs S had given.

I wanted to expand on this further in light of Mrs S's response to me. Her emails and reasoning to the business in May 2022 give the reasoning for her caravan moving from its pitch as a site reorganisation and pending a sale. I have seen no evidence of this and in fact have seen it was moved due to the dispute with the site owner. So I consider this to be deliberately false misinformation. Mrs S has said this was given as the reason following a telephone call with an associate from the business who told her to do this. However, I have seen no evidence of this call from either party and there is no call recording. I am not persuaded that Mrs S was told to give this misinformation.

Mrs S has also pointed to an email to the business where she states there have been many issues and the police have been involved. However, following this email she is asked clearly for the reason why her caravan has moved from the pitch and it is then she gives a false reason (which she says is due to what she was told on the phone). Mrs S knew she'd provided false information in May 2022 and didn't correct this at renewal. So, I think she was aware CTIUK had false information and CTIUK are acting reasonably in considering this a deliberate/reckless misrepresentation and therefore in considering the same for the misrepresentation at renewal.

It follows that despite Mrs S's response my position remains as I set out previously in my provisional decision.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 18 September 2025.

Yoni Smith
Ombudsman