

## **The complaint**

Mr Y complains that Mulsanne Insurance Company Limited (“Mulsanne”) reduced the amount of his car insurance claim it said it would pay as it said he’d misrepresented his details when he’d applied for cover.

Mr Y is represented in his complaint by Mrs Y, but for ease I’ll mainly refer to him.

## **What happened**

Mr Y had a car insurance policy with Mulsanne. He arranged and bought the policy online through a comparison website and the policy covered Mrs Y as a named driver.

Mrs Y was involved in a road traffic accident caused by a third-party driver. Mr Y’s car, which she was driving, was damaged. Mulsanne assessed the damage and thought it would be beyond economic repair.

Mulsanne investigated the claim. It found Mr Y hadn’t disclosed a previous driving conviction when he’d applied for cover.

Mulsanne said it would have charged a higher premium if it had known about the previous conviction. It said it would pay a proportion of Mr Y’s claim in line with the amount of premium he’d paid against the amount he should have paid.

Mr Y wasn’t happy about this, and he complained. Mulsanne maintained that Mr Y had carelessly misrepresented his history.

As he remained unhappy, he brought his complaint to this service. He thinks that Mulsanne acted unfairly and he questioned the amount of reduction of his claim, which was 34.58%, as he doesn’t think the proportionate premium increase was fair. He also complains that Mulsanne didn’t check his licence when he set up the policy, and it accused him of ‘deliberate falsehoods’ initially.

Our investigator looked into his complaint and thought it wouldn’t be upheld. He said he thought Mulsanne had acted in accordance with current legislation when it dealt with Mr Y’s claim proportionately.

Mr Y didn’t agree with the view and asked that his complaint was escalated to an ombudsman. So, it’s been 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.

Having read the file, I’m not upholding Mr Y’s complaint.

When looking at a complaint where there is a failure to disclose relevant information, I must first consider whether there has been a qualifying misrepresentation under the relevant law

which is the Consumer Insurance (Disclosure and Representations) Act 2012 (“CIDRA”).

CIDRA requires consumers to take reasonable care not to make a misrepresentation when taking out 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.

I’ve looked at the question Mr Y was asked about driving offences:

*“Have you committed any driving offences or had any Fixed Penalty Notices in the last five years?”*

Mr Y said no and didn’t disclose anything under this answer. I think the question is clear and understandable. Mr Y’s conviction was an SP50 and was from 2022, so should have been disclosed.

In later correspondence, he said: *“I’d assumed as the penalty was several years ago it’d already been picked up as part of the application.”*

What this means is that I think Mr Y failed to take reasonable care not to make a misrepresentation.

I’ve gone on to consider whether the misrepresentation was a qualifying one. In other words, what would it have done differently had it received the correct information from Mr Y when they applied for the cover.

I’ve mentioned above that Mulsanne said Mr Y’s premium would have been 34.58% higher if it had known the correct information about his previous conviction. It supplied the pricing information to this service, which is commercially sensitive and I’m not able to share it here.

What this means is that Mr Y’s misrepresentation was a qualifying one under CIDRA.

Mulsanne said it regarded Mr Y’s misrepresentation as careless, and I think that’s fair. What this means is, under CIDRA, Mulsanne can settle Mr Y’s claim in proportion with the amount of premium he paid against the premium he should have paid. Mulsanne has done this, and as that’s in line with CIDRA I think its action was fair.

Mr Y complains that he was accused of ‘deliberate falsehoods’ by Mulsanne when it initially investigated the claim. I’ve reviewed the file and I can’t see that Mulsanne said this or made accusations against him, or his representative. It laid out the options under CIDRA, which include that a deliberate attempt to misrepresent has a more serious impact, but as I say above Mulsanne said Mr Y’s misrepresentation was deemed careless rather than deliberate.

Mr Y has objected to the amount of proportional reduction. He’s checked the premiums changed by insurers with and without the addition of the conviction he had, and he found that Mulsanne’s 34.58% increase was very high. He’s also talked about Mulsanne’s failure to check his driving licence details when he applied for cover, rather than after the claim. He comments that this failure caused him significant distress.

I need to explain that this service isn't the regulator. We don't have powers to tell companies how to go about their business and what premiums to charge. As an independent dispute resolution service, it's our role to determine whether Mulsanne acted fairly and reasonably in how it settled Mr Y's claim. Mulsanne provided us with details of the premium it charged, and should have charged, him. Other companies may have charged different amounts, but that's not material to Mr Y's policy, claim or complaint. And it's Mulsanne's choice about when it checks the data it has on file, and I'm not going to interfere with that process.

Having reviewed its evidence, I think Mulsanne acted in line with CIDRA, and fairly and reasonably in how it dealt with Mr Y's misrepresentation and settled his claim. So, I'm not upholding this complaint and I'm not going to ask it to do anything more.

### **My final decision**

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 17 December 2025.

Richard Sowden  
**Ombudsman**