

The complaint

Mr J and Ms W are unhappy that Accredited Insurance (Europe) Ltd (“AI”) unfairly voided their home insurance policy due to a misrepresentation by them.

What happened

Mr J and Ms W made a claim on their policy, so AI arranged for the claim to be reviewed and validated. During this process, AI determined that Mr J and Ms W had made a qualifying misrepresentation when renewing their policy, so it decided to void the policy, and it didn’t consider the claim. AI said it would refund the premiums paid.

Mr J said he wasn’t aware of Ms W’s County Court Judgement (CCJ), so he thought it was unfair the policy was voided. They think it’s unfair there is a record of the voided policy on the Claims and Underwriting Exchange (CUE) database, and they’ll have to declare this when taking out future insurance. They said they’ll be unfairly impacted by higher premiums when they seek out new insurance.

Our investigator decided not to uphold the complaint. She thought AI had taken appropriate actions in response to the misrepresentation and it had acted in line with its terms and conditions. Mr J and Ms W disagreed, so the case has been referred to an ombudsman.

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.

AI voided the policy due to what it thinks was a “*careless*” misrepresentation by Mr J and Ms W when they took out the policy. In other words, it doesn’t think Mr J and Ms W took enough care when they provided their specific insurance requirements to AI when they took out cover. So, I have considered the merits of this complaint from this perspective.

The relevant law in this case is The Consumer Insurance (Disclosure and Misrepresentation) 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 must show it would’ve offered the policy on different terms or not at all if the consumer hadn’t made the misrepresentation.

CIDRA sets out several 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.

So, I’ve considered Mr J and Ms W’s circumstances in respect to CIDRA.

Was there a misrepresentation?

AI has explained the customer journey when Mr J and Ms W originally took out the policy with it. It said as part of the process, it asked Mr J and Ms W the following question.

Within the last 5 years, have you or any of the residents been served with a County Court Judgement (or decree if in Scotland), whether paid or not?

AI has shown that Mr J and Ms W answered this question “no”.

As part of the renewal of the policy each year, AI has provided Mr J and Ms W with a reminder of the answers to the questions they’ve previously provided it and asked them to check these details and to let AI know if anything has changed.

When validating the policy, AI discovered that Ms W had a CCJ within the last five years, therefore, AI decided Mr J and Ms W had made a misrepresentation when renewing their policy.

AI also shared specific terms and conditions related to this point, these stated:

1. Providing accurate and complete information

A copy of the questions and answers that you gave us is available in your account on our website or you can ask us for a printed copy You must check this information carefully and let us know immediately if any of the information you have given us is incorrect.

Under the Consumer Insurance (Disclosure and Representations) Act 2012 when taking out or varying this policy you must take reasonable care to give accurate and complete answers to all questions we ask and make sure that all information you give us is true and correct.

It is important that the information you provide is correct. If we find that it is not correct, we may:

- cancel your policy*
- refuse to pay any claim*
- pay only part of a claim*
- reassess your premium*
- alter the level of your cover, or*
- treat your policy as though it had never existed*

I think AI has been fair in concluding a misrepresentation had occurred, as it has shown the information Mr J and Ms W provided wasn’t accurate and was different to their circumstances. AI had also highlighted the terms and conditions, where it has outlined the importance of providing correct information.

Did the consumer take reasonable care?

Mr J has argued that Ms W was embarrassed by the CCJ and didn’t tell him. So, Mr J said he wasn’t aware of this information when he completed the sales process or renewal. So, he said he unknowingly had provided inaccurate information.

AI has explained what it said to Mr J and Ms W, when voiding the policy.

It said “whilst we appreciate your comments in relation to this, unfortunately, as the joint policyholder Ms W had an equal responsibility to ensure that the answers to the questions asked were accurate and correct. Please see the below extract, taken from your Policy Wording document in relation to information you have given us”.

AI shared an extract from its terms and conditions:

“Information you have given us –

The contract is based on the statements and information you gave us or that was given on your behalf when you applied for this policy. We use that information to assess the cover we provide you with and to set the premium and policy conditions. A copy of the questions and answers that you gave us is available in your account on our website or you can ask for a printed copy. You must check this information carefully and let us know immediately if any of the information you have given us is incorrect.

You must take care when answering any questions we ask, and make sure that all the information you provide is accurate and complete. When you provide information about other people insured under this policy, it is your responsibility to check that the information you provide is accurate”.

AI has gone on to specifically list a CCJ as an example of a key piece of information about someone that would need to be declared on the policy.

Both policyholders have taken out this policy jointly and have agreed the information they shared with AI was correct. So, as it wasn't, I can't agree that Mr J and Ms W took reasonable care. The questions asked were clear, and the importance of checking this information at renewal was also clear. Therefore, I think AI was reasonable to conclude Mr J and Ms W hadn't taken reasonable care.

Was the misrepresentation a qualifying representation?

If the misrepresentation was qualifying, it means AI would've done something different if it had received different information.

AI has explained that it doesn't offer cover to customer's who have a CCJ. That is why it specifically asks the question, so it can filter out these applicants and inform them it isn't willing to offer cover.

Therefore, as the misrepresentation did mean cover was offered when it wouldn't be normally, I'd agree with AI the misrepresentation was qualifying.

Was the misrepresentation careless, deliberate or reckless?

AI reasonably said the misrepresentation was careless, rather than deliberate or reckless. This offered Mr J and Ms W the best resolution to the misrepresentation, and AI acted as I would've expected when a claim had been made, but where AI wouldn't have offered insurance at all if it had the correct information. It voided Mr J and Ms W's policy and didn't consider the claim and it returned all the premiums. I think this was fair.

I've noted Mr J and Ms W have said they haven't received their refunded premiums. However, I can see AI tried to contact them more than once to ask them to share their bank details. Our investigator has also informed Mr J and Ms W of this detail, so if they now provide this to AI, it can refund the premiums.

I've also considered that Mr J specifically doesn't think it's fair that the policy voidance is against both his and Ms W's name. This is because both Mr J and Ms W took out a joint policy. The policy terms and conditions were transparent that the information provided needed to be checked by both parties. Both parties agreed to take on a joint policy, so were jointly responsible for the information that was provided. The CUE database records information against all policyholders, so I don't think AI has done anything wrong in the information it has recorded.

AI has explained that when Mr J takes out future policies he can provide evidence to show the CCJ wasn't his but was Ms W's, so future providers of insurance can take that into

account if they wish. However, as AI has acted as I would expect, I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint. I don't require Accredited Insurance (Europe) Ltd to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Ms W to accept or reject my decision before 1 December 2025.

Pete Averill
Ombudsman