

The complaint

Mr and Mrs G are unhappy Accredited Insurance (UK) Limited declined their claim on their home insurance policy and avoided their policy.

What happened

Mr and Mrs G purchased their buildings and contents policy with Accredited through a comparison website in March 2023. At the end of January 2024 Mr and Mrs G's home was burgled so they made a claim for the stolen items in February 2024.

Accredited appointed a loss adjuster, their report detailed a significant number of valuables had been stolen, which far exceeded the policy limits both for total valuables in the home and the individual item limits.

On review of the loss adjusters report, Accredited decided to avoid the policy (treating it like it never existed). They said Mr and Mrs G had answered the questions they asked about valuables incorrectly when talking out the policy, and they said that if they'd known the true value, they would never have offered cover. Accredited considered this to be a careless qualifying misrepresentation which they said entitled them to avoid the policy, treating it as though it never existed, refunding the premiums paid, and declining the claim.

Following this, Mr and Mrs G explained that some of the items stolen didn't belong to them, and the total valuables they owned was within the policy limits. Accredited said they didn't find Mr and Mrs G's testimony about this credible and said the avoidance of the policy remained.

Mr and Mrs G brought their complaint to this service. Our investigator agreed there had been a careless qualifying misrepresentation, and that Accredited were entitled to avoid Mr and Mrs G's policy and decline the claim. Mr and Mrs G disagreed so it was passed to me to decide. I issued a provisional decision on 10 September 2025 which said:

"What I've provisionally 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.

The relevant law when considering complaints about misrepresentation is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). And it is this law that Accredited Insurance appears to have relied upon when deciding to avoid Mr and Mrs G's Policy.

Mr and Mrs G initially claimed for £91,074 worth of valuables and twelve items were worth over £2,000 each.

Accredited says that when taking out the policy, Mr and Mrs G answered the following questions incorrectly, based on how much they'd claimed for:

- Is £10,000 enough to replace all your valuables contents items (each worth £2,000 or less) inside your home? Mr and Mrs G answered yes.
- Do you have any valuables or personal items worth over £2,000 each (not including bicycles)? Mr and Mrs G answered No.

Accredited said that if Mr and Mrs G had answered the questions correctly and disclosed the true valuables total, they wouldn't have offered cover. Therefore, applying CIDRA, Accredited declined the claim and avoided the policy.

My first consideration here is whether there has actually been a misrepresentation. That's because there is a dispute over the amount of valuables owned by Mr and Mrs G. Accredited says it's significantly in excess of the policy limits and therefore Mr and Mrs G misrepresented when taking out the policy and CIDRA applies. Whereas Mr and Mrs G say the total valuables they owned (and were now claiming for) were under the policy limit and they answered those questions correctly and there hasn't been a misrepresentation.

If I were to conclude that the total valuables exceeded the policy limit, I'd then go on to consider whether Accredited had fairly applied CIDRA and the remedy they have. But, if I were to conclude that the total valuables were within the policy limit, there wouldn't be a misrepresentation and CIDRA wouldn't apply. And unless anything changes as a result of the responses to my provisional decision, I'm minded to conclude that's the case. I'll explain why.

Although Mr and Mrs G initially claimed for around £91,074 of stolen items (in excess of the policy limits), after the claim decline, Mr and Mrs G told Accredited that some of the items didn't actually belong to them. And they identified items that belonged to their daughter and daughter in law. They said they had claimed for the items initially because they felt responsible as the items had been stolen from their home. But they accepted that the items weren't covered under their insurance policy and were then looking to claim only for what belonged to them, which they said totalled £9,971 (under the policy limit).

Accredited said that when reporting the claim Mr and Mrs G didn't at any point say the items being claimed for didn't belong to them. And they confirmed they did belong to them when they were asked to confirm who the owners of the items were. They also said Mr and Mrs G were able to provide receipts for some items and couldn't provide proof that the items belonged to their daughter and daughter in law. Accredited believed all the items belonged to Mr and Mrs G and as a result stood by the decision to avoid the policy on the basis they would never have offered cover.

Whilst I understand that Accredited have concerns about Mr and Mrs G's credibility, I have found their testimony persuasive that the total valuables belonging to Mr and Mrs G was £9,971 and under the policy limit, rather than £91,074. Mr and Mrs G have explained that the jewellery belonging to their daughter and daughter in law was gifted to them for their weddings, given this it isn't unusual that Mr and Mrs G's daughter and daughter in law don't have all the receipts to support they owned those items, rather than Mr and Mrs G. Mr and Mrs G also say the jewellery that belonged to their daughter and daughter in law was in their home for a period of time due to some family functions and they've provided some details around those functions. And I'm persuaded by this explanation.

I recognise that in the initial claim Mr and Mrs G said the items belonged to them, but they have explained that initially they weren't sure about what they could and couldn't claim for and were still in shock following the burglary. They also said they felt responsible for the items as they were stolen from their home which is why at the outset, they listed everything in the claim. I don't find their explanation here unreasonable. It's clear Mr and Mrs G weren't

aware at this point that they were only covered for £10,000 worth of valuables, or what they could and couldn't claim for, as they put in a claim in significant excess of this. And it wasn't until Accredited pointed this out that they explained more about the ownership, and what they would be claiming for which belonged to them.

Accredited has shown it wouldn't have offered a policy had Mr and Mrs G declared the total valuable items to be over £10,000. But I'm not persuaded there has been a misrepresentation here, as I'm satisfied with Mr and Mrs G's testimony that their total valuables were less than the policy limit, so they didn't answer the questions above unreasonably when taking out their policy. Therefore, as there isn't a misrepresentation, it follows that I don't consider it fair or reasonable for Accredited to apply CIDRA or to avoid their cover.

To put things right I think Accredited should reinstate Mr and Mrs G's policy and reconsider their claim under the remaining terms and conditions.

It is possible that this will mean Mr and Mrs G are dual insured as it's likely they will have taken out cover elsewhere. Should Mr and Mrs G decide to cancel any alternate policy as a result of dual insurance after this policy is reinstated, Accredited should cover any cancellation charges they incur.

Accredited should also pay Mr and Mrs G £250 for the distress and inconvenience it caused in declining the claim unreasonably and treating the policy as if it never existed. This added to the distress they were already experiencing following a burglary at their home.

My provisional decision

Subject to any further information or evidence provided, my provisional decision is that Accredited Insurance (UK) should:

- *Reverse the policy avoidance, including removing any record of it from any internal and external databases, and provide Mr and Mrs G with written confirmation that it has done this.*
- *Reconsider the claim in line with the policy terms and conditions.*
- *Cover any cancellation charges Mr and Mrs G incur if they cancel an alternative cover – subject to evidence of this being provided.*
- *Pay Mr and Mrs G £250 compensation for the distress and inconvenience it caused."*

Responses to my provisional decision

Mr and Mrs G didn't respond or provide anything further for me to consider. Accredited asked for some further clarity around information I had requested from them in relation to the questions asked about the ownership of the items. And also asked what I felt was persuasive about Mr and Mrs G's testimony. And noted that Mr and Mrs G have been unable to provide any evidence the items belonged to their daughter and daughter in law or change of ownership.

In order to fully and fairly assess the complaint I needed to understand what was asked in relation to the jewellery ownership and how that was done. Especially as this was a key factor in Accredited taking the action they did. I then considered this along with all of the information provided to come to a balanced decision. As already explained in my provisional decision, Mr and Mrs G provided details of the events, which led to the jewellery being in their home. They have been clear about why they submitted a claim for everything and once they became aware that they couldn't claim for items not belonging to them they accepted this and were only looking to claim for what belonged to them.

They did say initially the items belonged to them, but as explained in my provisional decision, this was following a burglary at their home, and they've explained they were in shock. They also said they felt responsible for the items as they were stolen from their home. And weren't sure what they could and couldn't claim for. And I'm persuaded by what they've said, as already outlined in my provisional decision.

I appreciate Accredited asked for evidence that Mr and Mrs G's daughter and daughter in law owned the items in question. And I have also covered this in the provisional decision. However, even if they had provided evidence of ownership, it makes no difference to the claim as they aren't covered for those items. Which they have accepted.

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.

For the reasons explained above, having considered everything again, I remained persuaded by Mr and Mrs G's testimony. And so, my overall conclusions haven't changed.

My final decision

My final decision is that Accredited Insurance (UK) Limited should:

- Reverse the policy avoidance, including removing any record of it from any internal and external databases, and provide Mr and Mrs G with written confirmation that it has done this.
- Reconsider the claim in line with the policy terms and conditions.
- Cover any cancellation charges Mr and Mrs G incur if they cancel an alternative cover – subject to evidence of this being provided.
- Pay Mr and Mrs G £250 compensation for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 24 October 2025.

Karin Hutchinson
Ombudsman