

The complaint

Mr and Mrs A have complained that Intact Insurance UK Limited unfairly cancelled their home insurance policy and declined their claim for theft.

Mrs A has mainly dealt with the claim and this complaint. So without intending any discourtesy to Mr A, I'll mostly refer to Mrs A from now on.

What happened

Mrs A made a claim to Intact Insurance after her home was burgled and a number of items were stolen including jewellery worth over £14,000 in total.

Intact Insurance accepted the claim and instructed a contractor to repair a windowpane broken in the burglary. It also instructed a specialist to handle the part of the claim relating to stolen jewellery.

Mrs A was asked to provide proof of ownership for the 24 items of jewellery she was claiming for. As part of this she provided a receipt for a pendant worth £250. The specialist found that the same receipt had been used in an earlier claim by someone else five years earlier. Mrs A explained that she might have inadvertently given a copy of the receipt to her daughter-in-law in connection with a claim made by her daughter-in-law.

Intact Insurance decided to cancel the policy from the date it had been sent the duplicate receipt on the ground of dishonest misrepresentation. It declined the claim.

Mrs A brought a complaint to this service. Our Investigator upheld it. He didn't think there was enough evidence to show that Mrs A had been deliberately dishonest. As Intact Insurance disagreed, the matter has been referred to me.

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.

There's no dispute in this case that there was actually a burglary at Mrs A's home. I need to decide whether Intact Insurance treated Mrs A fairly in saying that she'd made a dishonest misrepresentation or, in other words, been fraudulent.

In all cases we deal with, we need to try to establish what happened on the balance of probability, based on the available evidence. It's no different with fraud cases. While fraud is a serious allegation and potentially a criminal offence, the test is still whether it is more likely than not the consumer committed fraud.

For an insurer to decline a claim for fraud, it has to show there was some sort of intentional dishonesty or deception on the part of the policyholder and that the dishonesty or deception was an attempt by the policyholder to get something they weren't entitled to. The test is

whether their behaviour would be considered dishonest by the standards of ordinary reasonable people. In this case I don't think that test has been met. I'll explain why.

Mrs A explained to Intact Insurance that she'd bought many items of jewellery in the Middle East over the years for herself, her daughter-in-law and other family members. She said after her daughter-in-law had been burgled about five years ago she'd been asked to provide receipts for the jewellery she'd given as presents. She'd scanned a receipt for the pendant and sent it to her daughter-in-law, keeping the original. Five years later she'd forgotten that and accidentally provided the same receipt in support of her own claim. She said two pendants had been purchased and she wasn't trying to claim for her daughter-in-law's pendant.

Mrs A also said that she'd taken out insurance for very many years without making a claim and there was nothing to suggest her honesty should be in question.

Intact Insurance had reasonable concerns about the receipt having been used in a previous claim by someone else. But having concerns isn't the same as showing that a claim is fraudulent. I haven't seen persuasive evidence that Mrs A provided the duplicate receipt with fraudulent intent. On the contrary it would not have made sense for her to jeopardise her whole claim for the sake of a £250 pendant. I feel it's equally possible that Mrs A made a mistake. On balance I don't think Intact Insurance treated her fairly in saying that she'd been deliberately dishonest and so it shouldn't have cancelled her policy.

I also think Intact Insurance should pay compensation to make up for the trouble and upset caused by its handling of the claim. Being accused of fraud is a serious allegation and has a significant effect on consumers. I think Intact Insurance has caused Mr and Mrs A unnecessary trouble and upset because their honesty was called into question and because settlement of their claim was delayed. I think the sum of £200 is appropriate to compensate them for that.

Putting things right

To put things right I think Intact Insurance should:

- reinstate Mr and Mrs A's policy;
- settle the claim subject to the remaining terms and conditions of the policy but excluding the disputed pendant if it can't be validated;
- add simple interest* of 8% on to any settlement from the date of the claim up to the date of payment;
- remove all references to the voidance and any fraud markers from any internal and external databases; and
- pay Mr and Mrs A £200 compensation.

My final decision

For the reasons given above I uphold this complaint and require Intact Insurance UK Limited to put things right as set out above.

*If Intact Insurance UK Limited thinks it's required by HM Revenue & Customs to deduct income tax from any interest due to Mr and Mrs A, it should tell them how much it's deducted. It should also give them a certificate showing this if they ask for one so that they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs A to

accept or reject my decision before 2 April 2026.

Elizabeth Grant
Ombudsman