

The complaint

Mr T is unhappy that QIC Europe Ltd declined his claim and avoided his buildings and contents insurance policy.

What happened

Mr T took out his buildings and contents policy over the phone after obtaining a quote through a price comparison website.

When purchasing the policy over the phone, the agent pulled up the quote given online and asked if Mr T wanted her to go over the questions asked again or if he was happy with the answers he'd given. Mr T confirmed he was happy with the answers he had given. He was made aware that the policy documentation was available online for him to review.

The policy renewed yearly and in July 2024 Mr T enquired about a claim under his policy due to damage sustained when his front door slammed shut. QIC looked into processing a claim for accidental damage and when carrying out background checks found there had been a previous claim/investigation at the property for subsidence. They asked Mr T about this and he provided a repudiation letter he had been given when he purchased the property. The letter explained that there was no evidence of subsidence damage but highlighted slight cracking to the south facing front elevation which it was felt was created by thermal expansion. The letter also referenced internal cracks of no structural significance.

QIC felt that given this, Mr T should've declared the cracking at the point of sale when he was asked questions about it. And if he had they would never have provided a quotation as this fell outside their underwriting acceptance criteria. They felt it was a careless qualifying misrepresentation, therefore avoiding the policy and refunding the premiums paid.

Mr T was unhappy with QIC's actions so brought his concerns to this service. Our investigator didn't uphold the complaint. She felt QIC had acted reasonably and in line with relevant law in avoiding the policy.

I issued a provisional decision on 21 August 2025 in summary it said, regarding the first question that was asked which was, *"Has your house ever had cracks on its external walls? We only need to know if the cracks affected the main structure of your wall. You don't need to tell us about minor cracks that have affected render and plaster only"*. That whilst I understood initially why Mr T didn't feel he needed to declare the cracking, as he understood this to be in relation to more significant cracking, the first question asked only enabled initial quotes to be provided.

There were additional questions asked on QIC's website such as *"within the last 10 years, have any properties within 10 meters of your boundary been affected by subsidence, ground movement, tree root damage or had structural support or underpinning?"* To which he answered No. There was also separate question which asked *"Within the last 10 years, has your property shown signs of cracking on the internal or external surface of an outside wall or party wall, whether it has been repaired or not?"* To which the answer was No. I felt that it was clear the question was in relation to cracking only and that Mr T should've

answered 'Yes' to the question. I also noted that QIC's agent had advised the policy documents were available online to view and that Mr T should read all the documents carefully. Overall, I felt that Mr T was aware of the letter outlining the cracking and the repointing and so he should've answered 'Yes' to the question about cracking or enquired with QIC further if he was unsure before answering.

Mr T responded to say he didn't recall being taken through to QIC's website and being asked those further questions. And that he felt the questions from QIC's website had been prepopulated based on the answers he provided on the price comparison website. He also explained that when the agent asked if he wanted her to go over the questions again before purchase, she made no distinction between the questions asked on the comparison website and additional questions asked on their own website.

I then issued a second provisional decision having assessed the further information provided by both parties. It acknowledged that it was likely the answer to the first question had prepopulated the second question, but Mr T had been advised to read through the documentation carefully after the sale to ensure it was suitable for his needs and he had a 14-day cooling off period to do so. All relevant questions including the two questions about cracking were highlighted within the documentation and it was for Mr T to check the documentation to ensure the cover met his needs. Additionally, the policy renewed yearly, and the same questions about cracking featured on the documentation. Again, it was for Mr T to check the documentation each year to ensure the information outlined was correct and met his needs. And given what he knew about the cracking, particularly as this led to repointing, he should've contacted QIC to explain and discuss it further from the outset to see if it impacted the cover. There were also further opportunities at renewals for him to do this and as he didn't, I wasn't satisfied he had taken reasonable care in answering the questions.

Responses to my second provisional decision

Mr T didn't feel the outcome was fair or consistent with the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA) and that it went against the financial ombudsman's principles of fair treatment. He felt QIC had relied on a broader question that wasn't asked during the sale. He said he took the policy out over the phone to ensure accuracy and suitability. And that any questions QIC intended to rely on should have been asked of him directly. Embedding them in later documentation without drawing his attention to them was unfair. Mr T also referenced a decision issued by this service to support his arguments.

At renewals Mr T said that QIC's correspondence stated that if nothing had changed, he did not need to do anything. And as the cracking predated the inception of the policy there was no change to disclose. He also put forward a proposed resolution where he wouldn't pursue the claim and would allow QIC to retain the premiums but asked that I direct QIC to withdraw the policy avoidance.

QIC reaffirmed that Mr T should have declared the cracking at the outset and that he had a 14-day cooling off period to check and review the documentation. They also said at every renewal links were provided to the online account so the documentation could be reviewed, and this included the questions and answers in relation to cracking.

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.

Whilst I've considered all the information, I haven't commented on it all. Instead, I've focussed on what I consider to be the crux of the complaint and most relevant to the

outcome reached. This isn't meant as a discourtesy but reflects the informal nature of this service.

As referenced in my provisional decisions the relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). And as explained 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. I also outlined the remedies an insurer has if the misrepresentation is a qualifying misrepresentation. As well as the considerations in deciding if a consumer failed to take reasonable care.

I think it's important to note that in my previous decision I said I understood why Mr T didn't feel the need to declare the cracking when initially asked:

"Has your house ever had cracks on its external walls? We only need to know if the cracks affected the main structure of your wall. You don't need to tell us about minor cracks that have affected render and plaster only"

As he understood this to be in relation to more significant cracking such as that linked to structural issues. But I didn't make a finding on this question, instead I focussed on the further questions asked which were specifically linked to any cracking. As I felt in answer to Mr T's explanation these provided further context and therefore should have prompted Mr T further in answering 'Yes' to the additional question or clarifying the situation with QIC.

Mr T then advised he hadn't accessed QIC's website, as after obtaining the quote through the price comparison site he called QIC to complete the purchase. And my further decision focused on other arguments made in relation to the telephone call and the follow up documentation.

Whilst I understand Mr T's reasons for taking the policy out over the phone, the sale was a non-advised sale and followed an initial online quotation. The agent was clear about checking the documentation following the call and there was a cooling off period that allowed Mr T the time to check everything carefully to ensure it met his needs and was an accurate reflection of the situation.

Mr T was aware of the cracking prior to the purchase and if he had of read the documentation as advised, he'd have been able to highlight anything that wasn't accurate or sought further guidance on the policy's suitability. I don't think this is an unreasonable expectation. I also note, on the documentation at inception it also asked Mr T to check the documentation carefully to ensure he understood exactly what was covered and any restrictions that may apply.

At renewal each year QIC did say that if Mr T didn't wish to make any changes to the cover and the insurance details were the same, he didn't need to do anything as the policy would automatically renew. But it also said:

"Important information

Our renewal decision is based on your request for cover and what you have told us about your home. This information is recorded in your questions and answers, which can be found in your online account. Please take a moment to review this document along with your policy schedule (which was sent to you previously) as you need to let us know if anything is incorrect.

You are responsible for checking policy schedules carefully and making sure that the cover, including all excesses, still meets your demands and needs. Your insurer uses the details on your policy schedule to set your renewal premium, so it is important they are accurate.”

I think it's clear that it is for Mr T to check the documentation to ensure it is accurate. The policy renewed in 2022, 2023 and 2024, and each year was a new contract of insurance Mr T was entering into. And this important information message featured in all of the renewal notices. It also provided a direct link to the documentation for Mr T to review before accepting the cover.

QIC have provided evidence to support their argument that had Mr T declared the cracking, at the outset or renewals, they wouldn't have provided cover. After the sale Mr T was provided with documents with the answer to that question incorrectly answered as 'No'. Whilst Mr T has only focussed on the point of sale call, the same question was effectively incorrectly answered by Mr T again in 2022, 2023 and 2024 when renewing the policy, which was a new contract each year. This means I'm satisfied Mr T's misrepresentation was a qualifying one.

QIC has classified the misrepresentation as careless, and I don't think this is unreasonable in the circumstances. I say this as I don't think Mr T intentionally set out to misrepresent. However, the questions asked were clear and given that he was aware of the letter highlighting the cracking to the property he should have declared it.

QIC have treated the policy as if it never existed, refunding the premiums paid. As I've found the misrepresentation was a careless, qualifying misrepresentation, I'm satisfied this is in line with The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA).

Mr T has referenced another decision to support his complaint. However, each case is considered on its own merit, and I am considering the merits of this complaint. It isn't for me to comment on other decisions related to separate individual circumstances.

I have sympathy for the situation Mr T is in and I understand his concern about how this will impact his ability to obtain insurance in the future. With this in mind I shared Mr T's suggested resolution with QIC to ask their thoughts on it. However, they didn't accept this.

Overall, for the reasons explained, I'm satisfied QIC haven't treated Mr T unreasonably or unfairly.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 9 December 2025.

Karin Hutchinson
Ombudsman