DRN-5936573

The complaint

Mrs I and Mr I have complained that Ageas Insurance Limited has declined a contents insurance claim.

What happened

The background to this complaint is well known to the parties so I won't repeat the details in full here. In summary Mrs and Mr I took out a buildings and contents insurance policy through an online site in May 2024. They selected £40,000 as the value of their contents. The minimum amount of contents cover for this policy is £50,000, so the policy was issued with £50,000 of cover.

In July 2024 contents were destroyed by fire whilst in transit. Mrs and Mr I made a claim. Ageas declined the claim as it said that the contents sum insured was inadequate and had the correct sum been disclosed it would not have offered Mrs and Mr I a policy. It voided the policy and returned the premium paid.

Unhappy, Mrs and Mr I referred their complaint to our Service. All references to Ageas include its appointed agents.

The investigator didn't recommend that it be upheld. Applying the relevant law, they didn't find that Ageas had done anything wrong.

Mrs and Mr I appealed. They are represented. In summary the representative made the following points:

- The policy voidance was unlawful
- There was failure to apply the policy limits and terms
- There was a lack of fair process during statement taking
- The insurer's own logic was contradicted
- Discrimination and exploitation of a language barrier

As no agreement has been reached the complaint has been passed to me to determine.

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.

I'd like to reassure Mrs and Mr I whilst I've summarised the background to this complaint, I've carefully considered all the submissions the parties have made. In this decision though I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the contract terms, regulatory rules and the available evidence to decide whether I think Ageas treated Mrs and Mr I fairly. Having done so, and although I recognise that they will be very disappointed by my decision, having suffered a genuine and devastating loss, I don't uphold this complaint. I will explain why.

The relevant law in this case is The Consumer Insurance (Disclosure and Representations) 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 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.

Ageas thinks Mrs and Mr I failed to take reasonable care not to make a misrepresentation when taking out the policy in May 2024. Mr I selected £40,000 contents cover, but the minimum Ageas offer is £50,000 so this was taken. In answer to the question on the Statement of Fact whether £50,000 was sufficient to cover the full replacement cost of all the contents in the home as new Mr I answered 'yes'.

Following the fire a claim was made and the estimated loss was originally deemed to be £82,000 – but the total value of contents was confirmed at approximately £150,000. This was Mr I's estimation of a more accurate figure. I do accept that it is difficult to put an exact price on a full household's contents, even when there were information prompts to assist. But I'm not persuaded that it was unreasonable for Ageas to conclude that Mr I failed to take reasonable care when estimating the value of the contents he wanted to be insured when taking out the policy. I say this because the question was clear and the importance of answering the question accurately was also made clear.

I'm satisfied that even applying policy limits the total was greater than Ageas would have been willing to insure. The commercially sensitive underwriting evidence and statement I have seen shows that Ageas would not have offered cover if the true value of the contents had been given. This means that the misrepresentation was a qualifying one under CIDRA.

Ageas deemed the misrepresentation as careless; I find that was fair, there is no evidence (or even suggestion) that it was deliberate or reckless. Although it has been argued that the action Ageas too in voiding the policy was unlawful, I don't agree. Where there has been a careless misrepresentation an insurer's remedies are based on what it would have done had the consumer complied with the duty to take reasonable care not to make a misrepresentation. CIDRA provides that if the insurer wouldn't have entered into the contract on any terms the insurer may avoid the contract and refuse all claims, but it must return the

premium paid. This it has done here so I find that Ageas' actions are in line with the statutory remedy.

I haven't disregarded the representation that there was a lack of fair process during the claim validation call. But I'm satisfied that Mrs and Mr I submitted the list of items lost – that is the list wasn't produced by Ageas. It also accords with the sum Mr I gave when he first reported the claim. He said that the loss at that stage was over £82,774 although he said that a lot of things had been missed out, so he knew the loss was in excess of that sum.

Further I appreciate that notwithstanding complete fluency and excellent command, English is not Mrs and Mr I's first language. However, there was no evidence of misunderstanding or miscommunication. I'm satisfied that if Mrs and Mr I didn't understand the process or terminology they had sufficient language skills to ask for clarification. For completeness I would add that I've taken into account the provisions of the Equality Act 2010 given that its relevant law. But ultimately, I have determined the complaint on the basis of what is in my opinion fair and reasonable in all the circumstances. If Mrs and Mr I want a decision that Ageas breached the Equality Act, they'd need to take that matter to court.

Overall, I don't find that there was a failure to apply the policy limits and terms or that Ageas' logic was contradicted. In short, I'm satisfied that Ageas wouldn't have offered the policy if it had been made aware of the full contents replacement cost. It follows that I don't find that Ageas treated Mrs and Mr I unfairly, unreasonably or contrary to law by declining the claim and cancelling their policy and refunding the premium paid.

I understand the enormity of Mrs and Mr I's loss and I'm very sorry that my decision doesn't bring welcome news.

My final decision

For the reasons given my final decision is that I don't uphold this complaint about Ageas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I and Mr I to accept or reject my decision before 16 January 2026.

Lindsey Woloski
Ombudsman