

## **The complaint**

Mr C complains that Aviva Insurance Limited (“Aviva”) voided (cancelled from the beginning) his policy and wouldn’t pay his claim when it said he’d misrepresented modifications to his car when applying for car insurance.

## **What happened**

Mr C had a car insurance policy with Aviva. He arranged the policy online, using a comparison website.

In February 2025 his car was stolen. He notified Aviva and made a claim.

When he discussed the claim with it, he told Aviva that he’d fitted aftermarket alloy wheels to his car. Aviva told him that he hadn’t declared the modification he’d made, and that he’d only been entitled to the standard price for the car, in other words he wouldn’t receive any extra for the replacement wheels. It also emerged that the car had previously been written off, which reduced its value.

When it was investigating the claim, Aviva said Mr C told it that he’d had the car remapped – which is a type of engine tuning. It rejected his claim, and voided his policy (cancelled it back to the start). It refunded the premium.

Mr C complained, but Aviva didn’t uphold his complaint.

Because he remained unhappy, he brought his complaint to this service. Our investigator looked into his complaint and thought it would be upheld. Mr C said he thought Aviva asked him about servicing his car, not remapping it. He denied it had been remapped and said the alloy wheels fitted to it were manufacturer standard ones. He said he’d been under a great deal of stress when he’d spoken with Aviva.

Our investigator thought Aviva should settle Mr C’s claim, plus interest at 8% simple. He also thought it should pay him £150 compensation. Mr C agreed with the view, but didn’t agree the compensation was enough.

Aviva didn’t agree with the view and asked that the case was reviewed by an ombudsman, so it’s been passed to me to make a final decision.

## **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.

Having read the file, I’m upholding Mr C’s complaint. What I will say is that I’m altering the outcome slightly from the one our investigator reached in the view, and I’ll explain why.

When a customer misrepresents their details, the relevant law is the Consumer Insurance (Disclosure and Representations) Act 2012 (‘CIDRA’).

CIDRA says a consumer needs to take reasonable care not to make a misrepresentation when taking out an insurance policy.

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.

I've mentioned above that Mr C bought his policy online. I've looked at the questions he was asked when he applied for the policy.

He was asked:

*“Has the car been modified, tuned, or fitted with optional extras?”*

Mr C answered “no” to this.

There's help next to this question which says:

*“A modification is any alteration to a car that was not part of the standard manufacturer's specification, or that was not fitted as an option when the car was manufactured.”*

Modifications may be made to improve the car's performance, appearance, comfort or safety, or to meet disabled requirements.”

I'm satisfied that this question, and the help provided, is clear and understandable.

I've gone on to consider whether Mr C's misrepresentation was a qualifying one. In other words, what would Aviva have done differently had it received the correct information from Mr C when he applied for the cover.

Aviva has provided information from its underwriting system that shows it would have accepted the fitment of alloy wheels, but it cannot accept engine tuning, whether by 'chipping' or by modifying the engine management system (which is commonly called remapping).

But there's a question about whether Mr C was aware of the engine remap or not. I've said above that his car was stolen, and from the information I have, it wasn't recovered. So the evidence being used by Aviva to decline the claim and void the policy comes from the calls made between it and Mr C.

Aviva has provided one call to this service, which is a claims validation call. In that call, Aviva asked him about modifications the car had. Mr C tells Aviva the car had alloy wheels and had been remapped. Mr C tells Aviva the cost of the remap was £450 and it had been done soon after he'd bought the car.

In that same call, Aviva also asked him whether he'd been asked a question about modifications when he'd bought the policy. Mr C confirmed he had been asked, but he said he didn't understand what that meant. He thought it was about towbars or something similar.

But I can see from the file that there were other, earlier, calls between them. And Mr C has told this service that it was Aviva which suggested remapping as part of an earlier call. He has said he didn't know what this meant, and thought it was about servicing the car. He provided a copy of a receipt showing he'd paid this amount to have his car serviced and some work carried out on it.

I can also see from the file that Mr C has also talked about personal issues he was having at the time of the claim and he's talked about the amount of distress he was in.

I asked Aviva to provide copies of the other calls, but it didn't respond further.

What this means is that I'm unable to listen to the evidence that may, or may not, show that Aviva mentioned remapping to Mr C, or the other way around.

I've thought about this carefully. Mr C seems to have admitted that his car was modified in terms of the wheels. I've listened to the call in which he says the car was remapped, but as I say above he says he said that because the words had already been used by Aviva to him.

I think I need to deal with this case on balance, as I don't think it's fair that Aviva voided his policy on the basis of no physical evidence, and Mr C has challenged Aviva's version of events about who mentioned remapping first.

I also need to say that I think Mr C bears some responsibility for what happened. I feel it's fair I say that he should have challenged what Aviva said to him rather than accepting it and apparently re-telling Aviva those same words later in his claim.

What this means is that, in the absence of further information, I don't think Aviva has reasonably shown that Mr C's car was remapped, or that he was aware it was remapped.

So, when he answered the questions he was asked in his application for cover, I don't think he misrepresented the facts about the possible engine remap. This means that I don't think Aviva can apply the outcome under CIDRA to this case.

Aviva now needs to reconsider Mr C's claim on the remaining policy terms as though his policy was in force, adding interest at 8% simple to any settlement amount from the date it declined his claim to the date it makes this payment.

I need to say to Mr C that any settlement is subject to the policy terms, which includes deduction of his excess. As Mr C would have 'used' his policy by making the claim, Aviva is also entitled to deduct the premium it would have charged him from any settlement figure.

Mr C didn't agree with the view and asked for more compensation than the £150 our investigator thought he should be awarded. I've said above that I think Mr C needs to bear some responsibility for the misunderstanding that took place, and I think £150 is a fair and reasonable settlement in the circumstances.

Aviva also needs to amend Mr C's records on its internal database, and any external databases it's updated, to show that his policy wasn't cancelled or voided by it.

### **My final decision**

It's my final decision that I uphold this complaint. I direct Aviva Insurance Limited to:

- Reconsider Mr C's claim in line with the remaining policy terms and conditions. Aviva is entitled to deduct the annual premium Mr C should have paid from the settlement

amount. Interest at 8% simple should be added to the claim settlement amount, from the date it originally declined the claim to the date it makes this payment.\*

- Pay him £150 compensation in recognition of the distress and inconvenience caused by its decision to refuse his claim and void his policy.
- Amend or remove the information on its internal and any external databases it's updated to show that it didn't cancel or void Mr C's policy.

\*If Aviva considers that it's required by HMRC to deduct income tax from that interest, it should tell Mr C how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HMRC if appropriate.

Aviva must pay the compensation within 28 days of the date on which we tell it Mr C accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 1 January 2026.

Richard Sowden  
**Ombudsman**