

The complaint

Mr D complains that Intact Insurance UK Limited declined a claim on his contents insurance policy.

What happened

Mr D took out a contents insurance policy with Intact in June 2024. I'm sorry to hear that Mr D was burgled in early August 2024. He raised a claim with Intact but it was declined. Intact believe Mr D misrepresented during his application. Mr D was unhappy and raised a complaint but it wasn't upheld. Still unhappy, Mr D brought the complaint to this service.

Our investigator upheld the complaint. He didn't think Mr D had misrepresented during the application. He thought Intact should accept the claim and pay £250 compensation for the trouble and upset caused. Intact appealed. They still maintain Mr D misrepresented during his application. As no agreement could be reached, the complaint has been passed to me to make a final decision.

I was minded to reach the same overall outcome as our investigator, but for some different reasons. So, I issued a provisional decision, to give both parties an opportunity to comment on my initial findings before I reached my final decision.

What I provisionally decided – and why

I previously issued a provisional decision on this complaint as my findings were different from that of our investigator. In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Based on what I've seen so far, I intend to uphold Mr D's complaint.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it. So, I've thought about whether Intact acted in line with these requirements when it declined Mr D's claim and avoided his policy.

At the outset I acknowledge that I've summarised his complaint in far less detail than Mr D has, and in my own words. I'm not going to respond to every single point made. No courtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

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.

Intact thinks Mr D failed to take reasonable care when he answered "no" to the following declaration statement:

"Your home is not used for any trade, business or professional purposes, other than paperwork, phone calls and computer work."

Intact has confirmed that the policy was sold during a face-to-face sale. There is no recording of the sale. So, it's not possible to know whether Mr D was asked the above question or if he was, how it was read to him.

Based on the available evidence, I'm not able to say that Mr D answered the above question incorrectly, as I can't confirm he was actually read the question. However, even if he was, it wouldn't change my outcome.

Mr D lives in a ground floor flat. Intact believe that Mr D works as a car mechanic in the space outside the flat. Mr D disputes this and thinks he was misunderstood during his video interview. The video interview wasn't recorded and there is limited detail in the written report following the interview. So again, it's not possible for me to know exactly what was discussed.

Intact haven't said that Mr D did any of the car repairs inside his property. They've included the shared area outside the front of his property as his home. They've also said that storing cash from a vehicle sale and storing equipment/materials in his flat as reasons why he should have answered the above question "yes".

Home in the policy terms and conditions is defined as follows:

"The house, bungalow or flat at the address shown on your policy schedule, its outbuildings, including attached and detached garages, annexes, conservatories, sheds and greenhouses."

Using the policy definition of home and considering the question, even if Mr D was working as a mechanic on his communal parking area, which I make no finding on, I think Mr D took reasonable care when answering the above question "no". The communal parking area isn't part of Mr D's property and so wouldn't be considered his home. It also doesn't list driveway or parking areas as part of the home in the definition. The question doesn't ask about storing proceeds from work or working materials within the property. So, I also don't think this would warrant Mr D answering the question "yes". I don't think it's a clear question if Intact wanted anyone who kept tools/materials linked to their work at their property to answer it "yes".

As I find that Mr D didn't commit a qualifying misrepresentation under CIDRA, I don't think it's fair and reasonable for Intact to decline Mr D's claim and avoid his policy. To put things right, I intend to tell Intact to consider the claim further and in line with the policy terms and

conditions.

I appreciate that it must have been frustrating for Mr D to have to have the claim declined. He's been potentially out of pocket as a result of the decline, and it will have taken up his time in disputing the outcome. Although this is a distilled version of events, I've considered everything in the round, and I think Mr D has been caused an unreasonable amount of distress and inconvenience which has required a reasonable amount of effort to sort out. In line with our website guidelines, I think the £250 compensation awarded by our investigator is fair and reasonable in the circumstances. So, I intend to award this to Mr D too."

I set out what I intended to direct Intact to do to put things right. And gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses to my provisional decision

Mr D responded but didn't confirm whether he accepted the outcome or not. He said that Intact accepted his claim and paid some of the benefit initially before then declining it.

Intact confirmed they didn't agree with my provisional decision. They felt the declaration statement has been misinterpreted. They said it's not do you undertake business at your home, rather is your home used for any trade/business. They confirmed that Mr D has confirmed he stores paints and other trade supplies at the property as well as using the electrical supply. They also raised that he would have used his home address when confirming where cars are to be delivered to him.

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've thought carefully about the responses to my provisional decision. Having done so, while I appreciate it will come as a disappointment to Intact, my conclusions remain the same. I'll explain why.

The majority of the points raised by Intact weren't new and had already been considered. I don't agree the declaration statement has been misinterpreted. I've reviewed the declaration statement based on how it appears, and how I think it would be interpreted by an average person. However, as set out in my provisional decision, Intact haven't provided any evidence to support that Mr D was even asked the declaration statement. Neither have they commented on this in response to my provisional decision. So, in response to these points, my outcome would remain the same for the same reasons.

The only new point raised by Intact is about Mr D providing his home address as a location for the cars to be delivered. This also doesn't change my outcome. As the cars weren't worked on within Mr D's property, he wouldn't have to give his home address as the location to drop off the cars. There are other methods available to him to do this. However, even if he did, for the reasons I gave in my provisional decision, this doesn't change my outcome on how Mr D should have answered the question.

Putting things right

To put things right, Intact should do the following:

- Consider Mr D's claim further in line with the policy terms and conditions. For clarity, this mean treating the policy as not having been avoided, this would include removing any records of the policy being avoided.
- Pay Mr D £250 compensation for the distress and inconvenience caused.

My final decision

For the reasons I've explained above, I uphold this complaint and direct Intact Insurance UK Limited to put things right by doing as I've said above, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 14 January 2026.

Anthony Mullins
Ombudsman