

The complaint

Mrs C's complained that Zurich Assurance Ltd unfairly declined the claim she made on her life and critical illness policy after she was diagnosed with a brain tumour.

What happened

In early 2016, Mrs C applied to Zurich for a life and critical illness policy. As part of the application, she completed a health and lifestyle questionnaire. Zurich accepted the application based on the information she provided.

In 2024, Mrs C was sadly diagnosed with a type of brain tumour. So she made a claim on her policy. Zurich declined the claim because they said Mrs C hadn't provided accurate information about her health when she'd applied. They said, if she'd answered their questions accurately, they'd never have offered her cover. So they also cancelled her policy and refunded the premiums she'd paid.

Mrs C complained, saying she'd never provided incorrect information and the medical records Zurich had reviewed to help them reach their decision were wrong. Zurich didn't change their claim decision. So Mrs C brought her complaint to the Financial Ombudsman Service.

Our investigator reviewed the information provided by both parties and concluded Zurich didn't need to do anything different to resolve Mrs C's complaint. She said it was fair for Zurich to have said, based on Mrs C's medical records, that she'd not made accurate disclosure in her application. And she was satisfied that they'd dealt with the misrepresentation as set out in the Consumer Information (Disclosure and Representations) Act 2012 ("CIDRA") – which was what we'd expect them to do.

Mrs C didn't agree with our investigator's view and maintains her medical records are inaccurate – so it's unfair for Zurich to have relied on them. The matter's now 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 done that, I'm not upholding Mrs C's complaint. I know Mrs C will find that decision upsetting at an already difficult time and I'm sorry about that. I hope it will help if I explain my reasons.

It's not my role to decide whether Mrs C's claim should be paid. It's to decide if Zurich's decision to decline it was made fairly, reasonably and in line with the relevant law. The relevant law in this case is 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.

In this case, Zurich say Mrs C made misrepresentations when she answered “no” to the following questions:

“Have you ever had:

...

raised blood pressure or raised cholesterol?

...any heart rhythm abnormalities such as atrial fibrillation, fast or slow heart rate or palpitations?”

“Other than for the conditions you have already told us about earlier in this application: are you aware of any symptoms that you intend to seek medical advice or treatment for, or are you waiting for any test results, appointments with your doctor or other medical professional?”

Zurich say Mrs C’s medical records show she should have answered this questions “yes”.

I’ve reviewed the medical evidence Zurich looked at to make their decision. Her records show that, three days after she completed her application, she saw a doctor at her GP practice about palpitations. The note records this had been going on for two months and that it had happened in the past, when Mrs C had gone to accident & emergency and had usually had a normal ECG.

In relation to blood pressure, Mrs C says she did have raised blood pressure during her pregnancy in 2010 – but she’d not had an issue since. I’ve considered that testimony, but it’s not supported by her records. Those show that between November 2012 and her application in January 2016, Mrs C’s blood pressure was recorded as being higher than 140/90 – the level which the NHS states is considered to be high blood pressure. And on two occasions she was prescribed blood pressure medication which she later stopped taking.

I acknowledge Mrs C feels her medical records are wrong. That’s not something I can decide. I can see Mrs C has approached her GP about this and has provided a response from them. That response explains the types of information included in the records and how inaccuracies might be addressed. But it doesn’t say the records are wrong.

I think it’s clear the information on Mrs C’s medical records about palpitations and blood pressure should have been disclosed. In the absence of any amendment being made to the records, I can’t say it was unreasonable for Zurich to have relied on them to decide Mrs C had made misrepresentations in her application.

And I’m satisfied those misrepresentations were qualifying misrepresentations as defined by CIDRA because Zurich has provided evidence – which is commercially sensitive so can’t be shared with Mrs C – to show that, had she answered “yes” to the questions, they wouldn’t have offered her cover when she applied.

Finally, I've thought about the action that Zurich took after they concluded a misrepresentation had been made.

CIDRA sets out different outcomes, depending on how an insurer categorises the misrepresentation. If they decide it was deliberate or reckless, they can decline any claim, cancel the policy and keep all the premiums that have been paid. If they decide the misrepresentation was careless, they need to look approach the matter as they would have done if no misrepresentation had been made.

In this case, Zurich haven't said how they've categorised the misrepresentation. But they've treated it as a careless misrepresentation. I think that's fair. They've evidenced that, if no misrepresentation had been made, they wouldn't have offered Mrs C a policy. So it's fair for them to cancel the policy. When this happens in relation to a careless misrepresentation, CIDRA also says the insurer should refund the premiums the customer has paid.

I can see that Zurich provided a refund at the time they declined the claim. So, while I know this isn't the outcome Mrs C was hoping for, I don't think they need to do any more to resolve her complaint.

My final decision

For the reasons I've explained, I'm not upholding Mrs C's complaint about Zurich Assurance Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 13 February 2026.

Helen Stacey
Ombudsman