

The complaint

Ms G complains that Accredited Insurance (Europe) Ltd voided her home insurance policy and declined a claim she made on it.

Reference to Accredited includes its agents and representatives.

What happened

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Ms G took out a buildings and contents insurance policy in 2021, which was underwritten by Accredited. It renewed annually.
- After the 2024 renewal, Ms G got in touch with Accredited to make a claim following a theft.
- Accredited said Ms G hadn't provided accurate information when taking out and renewing the policy. Ms G said she had no valuables worth over £2,000 and the total value of such items was £11,000. However, Accredited said Ms G had many items of jewellery worth more than £2,000 and the combined value was around £60,000.
- Accredited said it wouldn't have insured Ms G if it had known the full value of these items. As a result, it voided the policy, refunded the premiums she'd paid, and declined to deal with the claim.
- Ms G complained. She said many of her valuables were gifts she'd received over the years, so she didn't know exactly what they were worth. And she showed some items were worth less than £2,000 when they were bought.
- Our investigator thought Accredited acted fairly. Ms G disagreed, but an agreement wasn't reached, so the complaint has been passed to me.

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.

- When considering what's fair and reasonable in the circumstances I've taken into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Whilst I've read and taken into account everything said by both parties, I'll only comment on the points I think are relevant when reaching a fair outcome to this dispute. That's a reflection of the informal nature of this Service.
- The main complaint point is whether it was fair for Accredited to void the policy and decline the claim. In short, it took these steps because it didn't think Ms G provided reasonable information when taking out and renewing the policy.

- When looking at the information provided at a sale or renewal for a consumer policy, as was the case here, the relevant law is the Consumer Insurance (Disclosure and Representations) Act 2012 (or “CIDRA”). It places a duty on the consumer, in this case Ms G, to ‘take reasonable care not to make a misrepresentation’.
- In summary, if Ms G fulfilled that duty, Accredited can take no action. If Accredited can show she didn’t fulfil that duty, and Accredited can show that it would have acted differently if she had fulfilled that duty, CIDRA sets out the remedies available to Accredited. That can include voiding the policy, which means treating it as if it never existed. As a result, it can also include declining the claim.
- Strictly, I don’t think CIDRA applies to an estimate – only to matters of fact. And the key point of dispute here turns on estimates. But I think it would be fair and reasonable for Accredited to take into account the principles of CIDRA regardless. These principles are representative of long term good industry practice.
- To take out and renew the policy, Accredited wanted to know whether Ms G had any valuables, each worth over £2,000. Ms G said she didn’t have any. It also wanted to know how much it would cost to replace all of Ms G’s valuables together. Ms G said £11,000. I’m satisfied the information Accredited wanted to know was set out clearly in the policy documents.
- So, the question is whether Ms G’s answers amounted to reasonable estimates, based on what she knew, or ought reasonably have known, at the relevant times.
- There wasn’t a requirement for Ms G to know exactly what the items were worth, or to reach the same valuation that Accredited did. Valuations are estimates and will naturally vary from person to person. So there’s a reasonable range of estimates.
- For example, Accredited valued one item at £2,029.48 whilst Ms G effectively valued it at no more than £2,000. Given the very small difference between these two figures, I don’t think it would be fair to say Ms G gave an unreasonable estimate for this particular item. Arguably, her estimate was within the reasonable range for it.
- However, Accredited valued other items at several thousands of pounds, with two over £10,000. I haven’t seen any other valuations that might challenge these, so I accept them. I don’t think it would be fair to say Ms G’s valuation of no more than £2,000 was within the reasonable range when the professional valuation provided by Accredited shows several items valued at around £5,000 - £15,000.
- I recognise many of the items were gifts, so Ms G may not have known how much they cost to buy. But I note she provided Accredited with a receipt from 2001 for an item which cost £1,620. I think it’s plain to see that even with very modest levels of gold inflation, it would likely be worth much more than £2,000 over twenty years later.
- Bearing this in mind, and given Ms G had many items of jewellery made of 22 carat gold, I think it would have been reasonable for her to estimate that some were likely to be worth more than £2,000 and to get them professionally valued.
- In these circumstances, I’m satisfied Mr G’s estimates were unreasonable. As she’s noted, that alone doesn’t mean Accredited can take any action. It must show it would have acted differently had it been given reasonable estimates.

- Accredited has shown this Service it wouldn't have offered the policy if Ms G had given reasonable estimates. The information provided is commercially sensitive, so it wouldn't be appropriate for me to share it. But I can assure Ms G I've seen it and she would have fallen outside Accredited's general underwriting criteria. That means Accredited was entitled to act as if the policy never existed, by voiding it and declining the claim. And that's what it did.
- Ms G has questioned whether this position is proportionate. Accredited has acted in line with the relevant law and longstanding good industry practice. Its entitled to take the action it did. So I'm satisfied its acted proportionately and it wasn't required to consider alternative outcomes that may have been more favourable to Ms G.
- Ms G has also questioned whether the underwriting information provided by Accredited is realistic. Most insurers will have upper thresholds for the amount of cover they will provide for valuables. Accredited is entitled to set its threshold at whatever level it sees fit, based on the amount of risk its prepared to take. And I'm satisfied it's applied that same threshold to Ms G as it would do any other customer, so she's been treated consistently and fairly.
- Though Accredited was prepared to insure Ms G for £75,000 of contents overall, that doesn't mean it would be prepared to insure her for £75,000 of valuables. Accredited sees items of valuables as riskier to insure than items of general contents, like furniture and clothing. Its entitled to take that view and its in line with most insurers.
- Overall, for the reasons given, I'm satisfied Accredited acted fairly and reasonably.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 11 May 2026.

James Neville
Ombudsman