

## **The complaint**

Ms G complains about the actions of Accredited Insurance (Europe) Ltd ('Accredited') when responding to a home insurance claim she made.

Accredited are the underwriters (insurers) of this policy. Any reference to them in this decision can be interpreted as covering the actions of any agents they've confirmed were acting on their behalf.

## **What happened**

The background to this complaint is well known to Ms G and Accredited. I won't repeat in detail what's already known to both parties. Instead, in my decision I'll focus on what remains in dispute and the reasons for reaching the outcome that I have.

Ms G took out home insurance through an aggregator (price comparison) website in 2022. The policy commenced on 7 November 2022. The policy subsequently renewed (following telephone calls) in 2023 and 2024. In June 2025, Ms G contacted Accredited to make a claim for damage (cracking) at her property.

Accredited investigated the claim, ultimately declined it and avoided the policy (initially from inception and later only from policy renewal in 2023). They said Ms G had failed to take reasonable care to answer questions relating to cracks at her property when taking the policy out and at each policy renewal.

Ms G raised a complaint and as she remained unhappy with Accredited's response, she referred the complaint to our Service for an independent review. Our Investigator considered the complaint, but didn't recommend that it be upheld. As the dispute remains unresolved, it's been referred to me for 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.

I'm very sorry to hear of the impact of this claim and policy avoidance on Ms G's health and her family.

Ms G has referred to previous case precedent. Our Service considers each complaint on its' own merits and I can assure both parties I've closely followed our published approach on this type of complaint. More information can be found here: <https://www.financial-ombudsman.org.uk/consumers/complaints-can-help/insurance/misrepresentation-non-disclosure>

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 must show it would have offered the policy on different terms or not at all if the consumer 'but for' the misrepresentation.

CIDRA sets out several 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.

Accredited say Ms G failed to take reasonable care to not make a misrepresentation about the condition of the property at renewal in 2023 and 2024. They've said because of the involvement of an aggregator site at policy inception in 2022, they've focused on policy renewal at 2023 and 2024. As each policy renewal is entering into a new contract of insurance for that policy term, I've considered this a fair approach for Accredited to take. But I will refer back to the policy inception later in the decision – as Ms G has raised a specific point about the information Accredited are seeking to rely on not being materially different at inception or renewal.

Ahead of the 2023 policy renewal, Accredited sent an email advising Ms G of their automatic renewal process. They let her know the renewal invitation was based on the information she'd provided (questions and answers document) about her property and asked her to review it.

The 'relevant question' was:

*"Within the last 10 years, has your property shown signs of cracking on the internal or external surface of an outside wall or party wall, whether this has been repaired or not?"*

Accredited recorded that Ms G had answered 'No' to this question.

Ms G then spoke with Accredited on 6 November 2023 and was asked if there were any changes that needed to be made to the information the renewal was based on. Ms G confirmed there were no changes to be made. A similar process followed for the 2024 renewal and Ms G also spoke with Accredited ahead of that renewal.

I'm satisfied that Ms G was asked a clear question that demanded a yes or no answer, not an opinion of what the proposer considered to be a crack. Returning to policy inception, the aggregator site contained guidance that Accredited say may have *"contributed to some confusion about whether the signs of cracking observed in November 2022 needed to be declared."* But I've also noted that Ms G was directed to Accredited's own website as the second stage of the sales process where she would've been asked to check her answers, including to the relevant question I've quoted above.

I'm satisfied that Accredited have shown there were cracks at Ms G's property that pre-dated policy inception. I say this because online photos clearly show this. This means Ms G failed to take reasonable care when maintaining her 'No' answer to the question above at policy renewal. For completeness, I've considered Ms G's comments about why she answered 'No'. She's said that:

- she first observed hairline cracks in November 2022, which she considered surface level, cosmetic and related to settlement of the property
- she didn't have an independent survey carried out as part of the home buying

process and the property information provided to her didn't indicate any previous structural problems.

- the 'marks' were present since at least 2009, around 16 years before the damage she was claiming for.

On balance, I'm satisfied that Ms G was asked a clear question and failed to take reasonable care at policy renewal to not make a misrepresentation. I say this because I don't agree with Ms G that it was reasonable to only regard the 'marks' as cosmetic, surface only or weather damage until 2025. It's clear that Ms G was aware of the marks/cracks and online photos show these existed prior to policy inception and the 2023 and 2024 renewals.

#### *Was the misrepresentation a qualifying one?*

Accredited told Ms G in their final response letter that had she declared signs of cracking at the property, they would not have offered a policy as the risk fell outside of their underwriting acceptance criteria. They've also shown us an explanation of their underwriting guide that supports if Ms G had not failed to take reasonable care to *not* make a misrepresentation and answered 'Yes' to the relevant question, they'd not have offered cover on any terms.

Therefore, I'm satisfied Accredited have been able to show that a qualifying misrepresentation has occurred. I consider this fair.

#### *How the misrepresentation has been categorised*

In their final response letter, Accredited said: *"In this instance, the insurer considers that any incorrect information was provided carelessly, rather than deliberately or intentionally."*

I agree this is a fair categorisation and as this is the most favourable categorisation for Ms G and resulted in a partial premium refund, I consider this fair.

#### *Other points raised by Ms G*

A key part of Ms G's argument is Accredited have acted inconsistently when allowing cover to remain in place for year one (2022-2023), but not for the subsequent two policy years and them saying the qualifying misrepresentation occurred at policy renewal is illogical - as nothing materially changed.

In a recent response to our Service, Ms G has said by not avoiding the policy from inception, Accredited have 'legally conceded' that the property was an acceptable underwriting risk. I can understand why Ms G might think this, but Accredited *did* initially regard the misrepresentation to have occurred at inception – but after she provided further information and they acknowledged the involvement of an aggregator site, they changed their decision to avoiding the policy from renewal, not inception. I wouldn't seek to interfere with this, and I don't agree that their position is illogical.

Ms G has referred to materiality and proximate cause. I'm not persuaded by this argument, as it's clear that many of the damaged areas claimed for showed earlier signs of damage in 2019 and 2022 - even before the policy inception. The opinion of the previous property owner doesn't undermine the rest of the evidence here.

Ms G has referred to neighbours having similar claims settled. But in this decision, I'm only considering the actions of Accredited, not any other insurer. Although I'm not considering the actions of any other insurer, I'm sorry to hear that Ms G has been unable to arrange alternative cover elsewhere. There could be a whole range of reasons for this, including the

policy avoidance back to renewal, the nature of the claim or the issues with neighbouring properties on her street affecting the risk appetite of other insurers.

### *The actions taken by Accredited*

As I'm satisfied Ms G's misrepresentation can fairly be treated as a qualifying, careless misrepresentation, I've looked at the actions/remedies available to Accredited under CIDRA.

Where an insurer wouldn't have offered cover on any terms, they can avoid the policy from inception (as if it never existed), but must refund any premiums received. This is what Accredited have done, but from renewal in 2023 rather than inception in 2022.

When reaching my decision, I have considered if any mitigation applies that would mean the actions taken by Accredited result in an unfair and unreasonable outcome. Ms G has provided detail on her personal health and financial circumstances/vulnerabilities and the impact on her family. Whilst she has referred to FG21/1 (fair treatment of vulnerable customers), a firm should give due consideration as to how the customer's vulnerability interacted with/caused the action (misrepresentation). Here, Ms G has not referred to any specific vulnerability that caused her to answer 'No' to the relevant question. The complaint doesn't succeed on this point.

Ms G has my sympathies, but as CIDRA reflects our long-established approach to misrepresentation cases and the relevant law here – CIDRA, fairly allows them to take those actions. I find that allowing Accredited to rely on it to avoid Ms G's insurance cover produces the fair and reasonable outcome in this complaint, as 'but for' the failure of Ms G to take reasonable care not to make a misrepresentation, Accredited would not have offered cover on any terms.

It follows that although Ms G wants the policies reinstated, I won't be directing Accredited to do so, as I've not found that they've acted unfairly when following the remedies allowed for under CIDRA where a qualifying misrepresentation has occurred.

### **My final decision**

My final decision is that 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 14 May 2026.

Daniel O'Shea  
**Ombudsman**