

complaint

Ms R complains Ageas Insurance Limited (Ageas) unfairly cancelled her insurance.

background

In 2010 Ms R took out household insurance through a broker. It was renewed a number of times. In 2014 she made a claim but Ageas refused to pay it. It cancelled her policy back to its last renewal date. And it looks like it refused to pay a second claim made about a month later.

Ageas says Ms R hadn't said, at the renewal, that she had two County Court Judgements (CCJ). If she had done, it wouldn't have offered her cover. Ms R says she wasn't asked if she had any.

Ms R wants the policy reinstated and her claims paid. She wants Ageas to pay for extra damage caused by the first claim not being paid. Ms R thinks she should be paid compensation. The unrepaired damage has caused her distress and inconvenience. She's spent time dealing with the issue. It's caused extra heating bills and some loss of food. She's unhappy with the way her complaint's been handled by Ageas. And she wants Ageas to refund what she spent to get her credit report.

Ms R also complains the insurance was mis-sold. This decision doesn't look at that. If she'd like it considered she will need to make a complaint against the broker.

Our adjudicator didn't think the complaint should be upheld. He thought Ms R should have told Ageas about the CCJs at the renewal. He agreed Ageas wouldn't have renewed the policy if she had. So it acted reasonably when it cancelled her policy. Ms R disagreed, so the complaint's been passed to me.

my findings

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

Having done this, I'm not upholding it.

should Ms R have said about the CCJs?

Ms R didn't get the CCJs until 2013 and 2014. This was after the original sale. So I haven't looked at what she was asked, and said, during it. I've only looked at what happened at the 2014 renewal.

If I thought Ms R took reasonable care during the renewal then I could require Ageas to ignore her failure to mention the CCJs. And I could tell it to reinstate the policy as it was originally taken out. But I don't think she did take reasonable care.

Ms R was sent the renewal documents in 2014. She'd been given one CCJ earlier that year and another in 2013. Ms R says she didn't know about them at the time of the renewal. She only found out about them after getting her credit report.

Ageas' loss adjuster's report says she told it she had CCJs. This was at a meeting that took place a couple of months after the renewal. But it was before she saw her credit report. And she probably would have received information from the court when it issued the CCJs. So I think she did know about them at the time of the renewal.

Ms R says she wasn't asked a question, during the renewal process, about CCJs. Instead the Statement of Fact document said "*You have not told us about any CCJs within the previous 20 years.*" She says this statement is correct. She hadn't told the broker about any CCJs in the last 20 years. As the statement wasn't wrong she didn't need to correct it.

I understand Ms R's point. I think it would have been more helpful if the CCJ information had been presented in a different way. But it's given early on in the Statement of Fact. It has some prominence. So I think she should have noticed it. And I think she would have understood what it was intended to mean. That the cover was being offered on the understanding she hadn't had any CCJs in the last 20 years.

The covering letter, sent with the renewal documents, asks Ms R to check information in the Statement of Fact. It explains what can happen if the insurer finds out some of the information isn't correct. It says this can result in refusal of a claim and/or the policy being treated as if it never existed. The letter asks her to get in touch if anything is incorrect.

So Ms R was warned it was important the information was correct. And she should have understood the CCJ information wasn't. But she didn't correct it. So I don't think she did take reasonable care. When we think this, we look at what the insurer would have done if the consumer had taken reasonable care and given the correct information.

was it reasonable of Ageas to cancel the policy?

It looks like Ageas doesn't offer cover to anyone with more than one CCJ if the latest one was served within the previous 12 months. Ms R had two. The latest one was from about five months before the renewal. So if Ms R had told it about the CCJs it wouldn't have offered cover.

So Ageas acted fairly when it cancelled the policy back to the renewal date. This means the policy didn't exist after that date. So it's reasonable for Ageas not to pay any claims for events that happened after it. It doesn't need to put right any extra damage caused by a claim not being paid. And it doesn't need to pay Ms R the compensation she's asked for. Ageas doesn't have to refund her the cost of her credit file. It was reasonable of it to ask for more details about the CCJs.

did Ageas deal with Ms R's complaint fairly?

Perhaps Ageas could have dealt with Ms R's complaint a little better. But I don't think Ms R lost out, or was caused any real distress, by how it was handled.

my final decision

For the reasons given above, I'm not upholding Ms R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 30 December 2015.

Daniel Martin
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