

The complaint

Mr G complains that Covea Insurance plc mishandled a claim on his motor insurance policy.

What happened

The subject matter of the claim and the complaint is a car, first registered in late September 2021 to a company that is still its registered keeper.

From February 2022, Mr G took the car on a rental agreement from the company.

He took out a motor policy branded with the name of an insurance intermediary. Covea was the insurance company that was responsible for dealing with any claim.

Mr G and Covea renewed the policy for the year from February 2023.

Unfortunately, in mid-April 2023, Mr G reported to Covea that an incident had damaged the car.

In mid-May 2023, Covea learned that Mr G had the car on a rental agreement, and that he wasn't its registered keeper.

By a letter dated mid-June 2023, Covea said that the policy was void, that it wouldn't pay the claim and that it would refund Mr G's payments of premium.

Mr G complained to Covea that it should meet his claim.

By a final response dated late July 2023, Covea turned down his complaint.

Mr G brought his complaint to us straight away.

Our investigator didn't recommend that the complaint should be upheld. She thought that the actions Covea took were in line with Consumer Insurance (Disclosure and Representations) Act 2012 ("CIDRA").

Mr G disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- He wants to see why it took so long for this to get resolved in the first place.
- He wants to understand why his car cannot be fixed because he had insurance for over a year and now he's been quoted to pay £11,000.00.

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.

CIDRA imposes a duty on a consumer to take reasonable care not to make a misrepresentation when taking out an insurance policy. If the consumer carelessly makes a misrepresentation which makes a difference to the insurer, then the misrepresentation is “qualifying” under CIDRA.

If the misrepresentation led the insurer to offer cover when it wouldn’t otherwise have done so, then CIDRA gives the insurer the remedy of treating the policy as void and declining any claim.

Mr G went online and took out the policy. From the statement of insurance, I’m satisfied that the website asked him a clear question as follows:

“Are you the registered keeper of the vehicle?”

And Mr G answered “Yes”

That answer wasn’t correct. The rental company owned the vehicle and was its registered keeper.

Mr G had entered into a written agreement headed “*Rental Agreement*”. So I’m not satisfied that he took reasonable care to avoid making a misrepresentation that he was the registered keeper.

I accept Covea’s evidence that its underwriting criteria were that it wouldn’t have offered cover if Mr G had said he wasn’t the registered keeper.

It took Covea from mid-April 2023 until mid-June 2023 to investigate and to make a decision.

However, Covea had to wait until mid-May 2023 to get the information and documents from the rental company. Covea then had to make a decision. So I don’t consider that Covea was responsible for any unreasonable delay.

I accept Covea’s decision that Mr G had made a misrepresentation which was qualifying under CIDRA and which gave Covea the remedies of treating the policy as void and declining his claim.

I don’t consider that Covea treated Mr G unfairly by applying those remedies.

So – whilst I don’t under-estimate the scale of Mr G’s financial loss - I don’t find it fair and reasonable to direct Covea to reinstate the policy or to deal with his claim.

My final decision

For the reasons I’ve explained, my final decision is that I don’t uphold this complaint. I don’t direct Covea Insurance plc to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr G to accept or reject my decision before 16 January 2024.

Christopher Gilbert
Ombudsman