

## **The complaint**

Mr A complains Covea Insurance plc avoided his motor insurance policy (treated it like it never existed) and refused to pay his claim.

## **What happened**

Mr A took out a motor insurance policy with Covea in July 2022 through a price comparison website. When his car was stolen in August 2022, he tried to make a claim.

After investigating the claim, Covea said Mr A had incorrectly answered two questions it had asked about previous claims he and his additional driver had made. Covea considered this to be a careless qualifying misrepresentation which entitled it to avoid his policy and decline his claim because of this. It said it'd arranged to return the premium he'd already paid.

Mr A brought his complaint to this service - he doesn't think this is fair and says the insurer should pay him the value for his car. The Investigator looked into matters but they didn't think it should be upheld. This is because they agreed there had been a careless qualifying misrepresentation. And so Covea was entitled to take the steps it had. Mr A doesn't agree with this and so the matter has now been passed to me for a 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 so, I must tell Mr A I think the investigator has reached a fair outcome here. So, I don't uphold his complaint in this matter. I'll explain why.

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. If the 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 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.

Covea says Mr A failed to take reasonable care not to make a misrepresentation when he answered the question about his and the additional driver's previous claims. So, I've considered what Mr A was asked when the policy was taken out. Under the '*Claims & Convictions*' section, he answered 'No' to the below questions.

*'Have you had any motor accidents, claims or losses in the last five years?'*

*This is regardless of who/what was at fault or if a claim was made or not. If you don't tell your insurer about previous accidents, claims or losses, your car insurance may not pay out if you make a claim'.*

Additional driver

*'Have they had any motor accidents, claims or losses in the last five years?*

*This is regardless of who/what was at fault or if a claim was made or not. If you don't tell your insurer about any of their previous accidents, claims or losses, your car insurance may not pay out if you make a claim'.*

These are plain and direct questions with explanatory information making clear how important it is to answer them correctly which was repeated on the Statement of Insurance.

Having reviewed information from Covea, I consider it clear the answer to both questions was not 'No'. This is because Mr A had one fault claim from 2020 and the additional driver had four claims – three fault claims and a notification only claim - from between 2018-2020.

Covea sent evidence of its underwriting criteria which showed it wouldn't have offered cover if it'd been given the correct information by Mr A about the relevant previous claims. Covea also sent evidence to show it wouldn't have offered cover to Mr A even if the additional driver had been removed. So, I'm satisfied Mr A's representation was a qualifying one.

If the misrepresentation isn't deliberate or reckless, CIDRA says it's careless. Covea have said it accepts Mr A's representation was careless and I see no reason to interfere with this.

As I find Mr A's representation should be treated as a careless qualifying misrepresentation, I've looked at the actions Covea can take in accordance with CIDRA. And I'm satisfied Covea was entitled to avoid Mr A's policy in accordance with CIDRA from the inception of the policy. As this means - in effect - his policy never existed, Covea doesn't have to deal with Mr A's claim following the theft of his vehicle. It does need to refund the premium to Mr A for the policy and I've seen evidence it has already asked for the broker to do this.

Taking everything into account, this is a fair and reasonable way to resolve this complaint.

### **My final decision**

For the reasons set out above, I don't uphold Mr A's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 7 August 2023.

Rebecca Ellis  
**Ombudsman**