

## **The complaint**

Miss C complains that following the theft of her car One Insurance Limited (One Insurance) declined her claim and avoided (treated it as though it never existed) her motor insurance policy.

## **What happened**

Miss C's car was stolen in July 2022. She reported it to One Insurance. She says it took a long time to get a response from the business. It subsequently wrote to her in December declining her claim. She didn't think this was fair and so she complained.

In its final complaint response One Insurance says when validating the claim, it found an SP30 speeding offence hadn't been declared along with two open claims. This didn't prevent Miss C's claim being considered. However, One Insurance says it requested Miss C's V5 logbook for further validation. On receipt of this it found the car's keeper was registered under the name of a business.

One Insurance says the keeper must be the policyholder or their spouse for cover to be provided under its underwriting criteria. Had the actual keeper been disclosed when the policy was taken out, One Insurance says it wouldn't have provided cover. However, the business acknowledged its delay in responding to Miss C's claim and paid her £200 compensation.

Miss C didn't think she'd been treated fairly and referred the matter to our service. Our investigator didn't uphold her complaint. She says because Miss C hadn't taken reasonable care not to make a misrepresentation regarding the keeper of the vehicle, One Insurance had behaved fairly in declining the claim and avoiding her policy.

Miss C disagreed and asked for an ombudsman to consider her complaint.

It has been passed to me to decide.

## **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'm not upholding this complaint. I'm sorry to disappoint Miss C but I will explain why I think my decision is fair.

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 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 has to 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.

One Insurance says Miss C failed to take reasonable care not to make a misrepresentation when confirming the registered keeper of her vehicle was her spouse. It says the keeper has to be either the policy holder or their spouse otherwise it won't offer cover. It says it doesn't think Miss C acted recklessly or deliberately when providing the wrong information. Rather it thought this was careless. This is why it refunded the policy premium. But the keeper of the vehicle is a business, not Miss C's spouse, which is why it declined the claim and avoided the policy.

We asked One Insurance to provide the questions Miss C was asked when she took out the policy to see if these were clear. It sent screen shots of the questions she was asked during her online application. The question relating to the registered keeper says:

*"Are you (or will you be) the registered keeper of this car? If your name appears in the car's log book (V5 registration document) you will be the registered keeper."*

Miss C confirmed her spouse was the registered keeper.

There is also an information box provided alongside this question. It says:

*"Registered keeper*

*The registered keeper is the person whose name appears in the car's log book (V5C). The owner of the car and the registered keeper can be different people. For example, a leasing company might be the legal owner of a car, but if you're leasing it you could be the registered keeper. Check whether you're the car's registered keeper by looking at who's name is on the vehicle's log book (V5C)."*

I think the question Miss C was asked was clear – and the information explaining how to find this out, if she was unsure, was also made clear. Had Miss C checked the V5C document she would have seen the registered keeper was recorded as a business – not her spouse.

I've read the renewal information that Miss C was sent in July 2022. On the front page of the letter it says, *"It's important that you read all of the information contained in this renewal invitation to ensure it is up-to-date and accurate"*. This message is repeated lower down on the same page. It instructs Miss C to read her policy schedule and statement of fact, available in her customer portal or from the printed documents it recently sent.

The statement of fact document confirms Miss C as the owner and her spouse as the registered keeper of her vehicle. It also says:

*"It is an offence under the Road Traffic Act to make a false statement or withhold any material information for the purpose of obtaining a Certificate of Insurance. You are urged in your own interest to ensure that this form is fully and correctly completed. Material information is information ONE Insurance would regard as likely to influence the acceptance and assessment of the contract (if you are in any doubt you should disclose the information)."*

Based on this evidence I don't think Miss C took reasonable care not to make a misrepresentation when taking out her insurance policy.

I've thought about whether it's reasonable for One Insurance to consider that Miss C made a careless misrepresentation. I think it is. I don't think this is something she did deliberately, but she was provided with clear information to be able to provide an accurate response.

I've seen One Insurance's underwriting criteria. This is considered commercially sensitive information, so I can't share it. But it's clear that only the proposer, spouse or a leasing company are considered acceptable keepers of the vehicle. This requirement wasn't met in Miss C's case, and she gave inaccurate information that meant One Insurance thought it had.

In these circumstances One Insurance is able to decline Miss C's claim and avoid the policy in line with the CIDRA rules. It has provided its system records that show a refund for £869.74 was paid to Miss C in respect of the policy premium. I think this was fair and in line with the CIDRA rules.

I've thought about the delay in One Insurance providing its decline decision to Miss C. This took around five months. Discrepancies were found with undeclared speeding offences and claims. But I can't see any reason why it took One Insurance this length of time to confirm its decision. This caused Miss C worry and distress. In the circumstances I think One Insurance should pay compensation to acknowledge this point. But I think its payment for £200 is fair, so I won't ask it to pay more.

In summary, although I'm sorry to disappoint Miss C, I don't think One Insurance treated her unfairly when it relied on its policy terms to decline her claim and avoid her policy for the reasons it gave. So, I can't reasonably ask it to do anymore.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 8 September 2023.

Mike Waldron  
**Ombudsman**