

## The complaint

Mr G complains that MCE Insurance Company Limited (“MCE”) unfairly declined cover for a claim and voided his motorcycle insurance policy.

## What happened

Mr G held a motorcycle insurance policy with MCE. His motorcycle was stolen, but was damaged when it was recovered. He claimed on the policy. MCE looked into his claim and said it wouldn't provide cover. It also voided his policy and said it wouldn't refund his premium. It said he didn't live at the address he gave when he took out the policy.

Mr G complained to MCE and when it didn't change its decision, came to our service. Our investigator didn't think MCE had done anything wrong. He thought MCE had shown it was more likely than not Mr G didn't live at the address he'd given MCE. In this decision, I'll refer to this address as Address 1. He noted in particular that Mr G's driving licence gave a different address, which I'll refer to as Address 2. Mr G disagreed. He said the reason the driving licence gave his address as Address 2 was for business reasons. He's sent various documents addressed to him at Address 1. He's asked for an ombudsman's 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.

As Mr G is a consumer I need to take into account The Consumer Insurance (Disclosure and Representation) Act 2012 (CIDRA). This puts an obligation on consumers to take reasonable care not to misrepresent when they enter into a consumer insurance contract. The act also says if the consumer fails to meet this obligation the insurer has a remedy against the consumer if it can show that without the misrepresentation it would not have entered into the contract at all, or would have done so only on different terms. This is what the Act describes as a 'Qualifying Misrepresentation.'

In this case, MCE argues Mr G made a qualifying misrepresentation about his home address. When he took the policy out, he was asked for his postcode and first line of the address. He gave the details of Address 1. I think it's reasonable to assume that he believed he was being asked for his home address at that point. So MCE was entitled to take from what he said that he was living at Address 1. But MCE says he was in fact living at Address 2. The motorcycle was stolen from Address 2. Address 1 and Address 2 are about 30 miles apart.

Mr G isn't the owner of either Address 1 or Address 2. He's sent a number of pieces of correspondence addressed to him at Address 1. But I'm not persuaded this definitely shows he was living at the address at the time he took out the policy. His driving licence gives his address as being at Address 2. I think this is important, especially in the context of his motorcycle insurance. The address given on the licence will be the one used for motoring correspondence from the DVLA and police, if needed. So I think the address on the licence is likely to be a person's home address. My enquiries also indicate Mr G was listed as the director of a business at the time he took out the policy. His address was given as Address

2. The business itself is registered to a different address. So I can see that Mr G has given Address 2 for correspondence to be sent to for both motoring and business purposes. This is persuasive evidence that he was living at Address 2 when he took out the policy.

So I think it's more likely than not Mr G was living at Address 2 when he took out the policy. And so he should have told MCE this was his address. When he said he lived at Address 1, he didn't take reasonable care to provide accurate information to MCE.

Insurance premiums are based on a number of risk factors, including the policyholder's address. Address 1 also had a garage but Address 2 didn't. MCE's provided evidence showing that if M G had properly disclosed his address and that there was no garage, the premium it charged would have been higher. So I'm satisfied that MCE has shown it would have entered into the contract on different terms if Mr G had given his correct address. So I'm persuaded that Mr G did make a qualifying misrepresentation.

MCE's said that Mr G's misrepresentation was deliberate or reckless. If this is the case, it's entitled under CIDRA to void the policy and retain the premium paid. I've accepted Mr G gave his home address as Address 1 when he was more likely than not to be actually living at Address 2. And I don't see any reason why he'd say he lived at Address 1 when he lived at Address 2 other than to misrepresent his circumstances to MCE. And so I don't think it was unreasonable for MCE to conclude that his misrepresentation was either made deliberately, or that Mr G was reckless when he said he lived at Address 1. I don't think there's any way that misrepresenting his home address could be considered to be careless on Mr G's part. I don't think it was unfair of MCE to void his policy and retain the premium paid.

When an insurer voids a policy on these terms, it does so from inception. This means that it is as if the policy never existed. And so any claim made under the policy isn't covered.

### **My final decision**

It's my final decision not to uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 March 2020.

Ben Williams  
**Ombudsman**