

Court orders insurer to clarify and amplify pleadings on misrepresentation and contract works exclusion

Bellhouse & Anor v Zurich Insurance PLC [2025] EWHC 1416 (Comm)

1. In a significant procedural judgment handed down on 18 June 2025, the High Court has declined to strike out Zurich Insurance Plc's defences to a claim for indemnity under a household insurance policy, conditional on the insurer providing substantially improved particulars in relation to key elements of its case.
2. The claimants, Mr and Mrs Bellhouse, issued proceedings seeking indemnity after a fire severely damaged their residential property during renovation works. Zurich had declined the claim and purported to avoid the policy, alleging fraudulent misrepresentation concerning the claimants' intention to carry out building works.
3. Zurich relied on an answer "No" in a Statement of Insurance to the question whether the property was "*likely to undergo any contract works within the next 12 months*". Zurich maintained that this was a qualifying misrepresentation under the Consumer Insurance (Disclosure and Representations) Act 2012 ("**CIDRA**"), and also sought to rely on a "contract works" exclusion clause in the policy.
4. The claimants applied to strike out Zurich's misrepresentation defence and its reliance on the contract works exclusion clause defence under CPR 3.4, and for summary judgment under CPR 24. They argued that:
 - The answer in the SOI was generated by Zurich itself, and not provided by the claimants;
 - Zurich had failed to properly plead or evidence that a representation was made by the claimants, or that the insurer had relied on it;
 - Zurich had not pleaded any factual basis for the application of the contract works exclusion.
5. HHJ Hodge KC dismissed the application in part, and delivered a carefully balanced ruling.
6. **Misrepresentation Defence:** The Court held that Zurich's misrepresentation defence had a realistic prospect of success and should proceed to trial. Although the SOI was originally generated by Zurich, the judge accepted that there was an arguable case of misrepresentation but found it was "*impossible to identify*" from the pleadings, which were described as "*overly long, rambling, and digressive*" and lacking a clear explanation of how the alleged misrepresentation was made, communicated, or relied upon.
7. **Contract Works Exclusion:** Zurich had also argued that the fire fell within a policy contract works exclusion. The Court struck out and entered reverse summary judgment in the claimants' favour on Zurich's reliance on the first limb of the exclusion (excluding loss *to contract works* themselves), holding that the interpretation that the entire house had become "contract works" was incorrect. The judge ruled that the house and the works were distinct, and that Zurich's argument was unsustainable.
8. Zurich's reliance on the second limb of the contract works exclusion, which relied on the words "*caused by or resulting from contract works*", was allowed to proceed, but only on condition that Zurich provides proper particulars (as described below). The Court held that at present, Zurich's pleadings do "*not plead that the loss or damage to the house was caused by, or resulted from, the contract works*". Zurich's pleading only asserts that the fire occurred "during" the works, which was insufficient to engage the exclusion.
9. **Case Management Decision:** Exercising his case management powers, the judge did not strike out the misrepresentation and contract works exclusion defences, but only on the condition that Zurich serve concise further particulars which should:

“(1) Explain precisely how the qualifying misrepresentation was communicated to Zurich, and (if and when it was) exactly how, and in what way, anyone, and if so who, at Zurich relied upon it.

(2) Plead that the loss or damage to the house was caused by or resulted from the contract works, with full and proper particulars as to how this came about.

(3) Set out Zurich’s case as to precisely how (i) the estimated cost of the contract works exceeded 20% of the buildings sum insured and/or (ii) the contract works altered the square footage of the house.”

10. Other points of interest include:

- The judge also confirmed that, had he found Zurich’s defences unarguable, he would have been minded to resolve those issues summarily despite the remainder of the issues in the case (which were narrow and self-contained) going to trial.
- The Court made brief obiter remarks on s.2(3) of CIDRA. The judge did not dissent from the submission that “*particulars previously given*” might not be limited to information previously given by the insured, but he observed that the provision appears to require that any request to confirm or amend must relate to particulars previously communicated to the insurer.

Mek Mesfin acted for the Claimants (instructed by Stephen Netherway and Grace Williams of Devonshires Solicitors LLP).

For a full copy of the judgment, please see [here](#).