

# Honesty – the best policy

**I**f you've ever been convicted of a crime, you could find your insurance is worthless if you didn't tell the company about your conviction when you took out the policy. More than seven million people in the UK have convictions, but many don't realise that they have to tell insurers about them – no matter how minor – before they sign up to an insurance policy. One woman found guilty of benefit fraud faces having to pay back a £240,000 payout after her house was burned down because the insurance company says her policy is void. So what are the rules? When do you need to declare a conviction and what happens if you didn't realise you needed to?

**£**If you're about to sign up for household insurance policy, most insurers will expect you to tell them about all convictions except, sometimes, minor motoring offences (such as speeding). But it's better for you to tell the insurer than for the company to find out that you have a conviction when you come to make a claim.

know about any unspent convictions and any court cases that you're currently involved in, where the case hasn't come to court. That doesn't just apply to any convictions you (as the potential policyholder) may have, but to anyone who lives with you. The only time you don't have to declare a conviction is if it's spent.

**£**Insurers should spell out the information they want very clearly, but sadly not all do. If you're shopping on the internet, most insurers will ask you to tick a box saying that you agree to the assumptions they're making about you. One of those assumptions is usually that you don't have any criminal convictions.

**£**Unless your insurer specifically says differently, you should assume that they'll want to

**£**The bad news is that if you do have an unspent conviction, you could find it very hard to get insurance. Some insurers refuse outright to insure anyone with a conviction, even if it's for something trivial. Others will assess the risk on a case-by-case basis, which means a conviction for fraud or arson might mean you wouldn't be able to get home insurance, but a conviction for shoplifting might not increase your premiums.

**£**There are a number of insurers that will give cover to people with unspent convictions. The insurance brokers' organisation BIBA ([biba.org.uk](http://biba.org.uk)) or 0870 9501790) can put you in touch with specialist brokers and the charity Unlock ([unlock.org.uk](http://unlock.org.uk)), which works with ex-offenders, has a list of specialist insurers on its website.



Charlotte Church might like to give a friend something homemade for Christmas

**Alvin Hall**  
on why it's best to play safe with insurance

## TOP 5 Savvy Christmas shopping tips

**1** Buy what the person wants, not what you want them to have. If your brother or uncle says they are happy with a belt and a pair of socks, buy them what you can afford. The belt doesn't have to be from Louis Vuitton or the socks from Harrods. Buy classics the person can use every day.

**2** When shopping for a couple, buy one gift that they can both enjoy rather than two individual gifts. For a couple that entertains a lot, buy an item they can use when they have guests, such as a scented candle or salad servers.

**3** Make the gift yourself. Put pictures of family events or relatives in inexpensive, tasteful frames. Bake Christmas cakes or festive cupcakes. A crafty friend of mine made lovely jewellery for everyone on his Christmas list. And remember: wrap your DIY gifts so they look like they came from a posh shop.

**4** Give a person an item you own that they have long admired, like a scarf or a piece of jewellery. This way you not only make the person really happy with your special, personal sacrifice, but is also saves you money.

**5** Shop in charity and secondhand shops. Vintage clothing, handbags, jewellery and other items can be purchased for very low prices. Recently, I saw a beautiful watering can in a charity shop that was perfect for a friend who loves to garden and the price was less than £20, but act quickly as items often sell immediately.

## Q&A

I pay off my credit cards completely every month, but the two card companies I have cards with have slashed my credit limit from £6,000 to £500 and £2,400 to £500. I have tried to find out why they have done this and have had no joy. One credit card is from my own bank which knows that I have some savings. I went into the local branch and he asked me three times, why did I want a credit card if I could pay it all off each month. I'm 71 years old and a widow. I would appreciate an answer as I think they are penalising me because I pay it all off and that can't be right.

Margaret, via email

**ALVIN SAYS:** Over the last year or so, some credit card companies have been reducing card limits for customers. In some cases it's because the companies are worried their customers may get into too much debt; in others it seems to be because they're not making enough money from customers who, like you, pay off their cards in full. My advice would be to contact the card provider in writing requesting an explanation. They should tell you whether you were turned down because of information on your credit file (which sounds unlikely in your case) or for other reasons. If you're still not happy, remember there are other credit cards out there – you don't have to stay with the two you have.



Remember, you don't have to be loyal to one credit card

Team Reveal

Alvin Hall's money savers

Sometimes things from your past can haunt your finances in totally unexpected ways. That's what happened to a woman with a previous (perhaps long-forgotten) criminal record, when her insurance company decided a claim she made was invalid. This week, I alert you to how even small criminal convictions may render certain insurance policies invalid.

In the Q&A section, a reader asks about an issue affecting many people – unexpected reductions on credit card limits.

Alvin

alvin.hall@natmags.co.uk

GOT A HOT MONEY-SAVING TIP? I'D LOVE TO HEAR IT!

Email me at [alvin.hall@natmags.co.uk](mailto:alvin.hall@natmags.co.uk). Or post to: Alvin Hall, Reveal, 33 Broadwick Street, London W1F 0DQ