

The complaint

Mr G1, Mrs G and Mr G2 are a partnership with a trading name, for ease of reading I'll refer to the partnership as G. G complains that Society of Lloyds (SoL) unfairly turned down their claim for a stolen pickup on their commercial vehicle insurance policy.

Reference to SoL also includes the actions and comments of the underwriting syndicate.

What happened

G's pickup was stolen and so G reported the theft to the Police and to SoL. The pickup was then found burnt out not long after it was reported stolen. SoL reviewed the claim to understand the details of the theft.

When investigating the theft, SoL asked how many keys G had for the pickup, and they said there was one. SoL checked with the previous owner who bought the pickup from new, and they said they thought it had been sold to G with two keys. SoL asked to see the key G had.

When SoL reviewed the key, it had concerns over the wear marks on the key, so it sent the key for forensic testing. The forensic report said there were fine grit particles on the blade of the key which was the result of fine grit paper being used on the key. Because of this SoL wasn't satisfied with what G had said about the claim and turned it down. Specifically, SoL relied on the policy exclusion which says claims for theft aren't covered if the pickup is left unlocked or with the keys in or on the pickup. SoL also referred to the term which allows it to decline claims if false, exaggerated or fraudulent information is given.

G didn't think this was fair and complained. They said the accusation that the key had been tampered with was absurd. They also said they're from the farming community and work in the construction industry and wear on the key was normal. SoL reviewed the complaint and maintained its position. It reiterated that the pickup had good security features and it would need to be stolen with the use of a key, so didn't agree it had acted unfairly by declining the claim. Unhappy with SoL's response, G brought the complaint here.

Our investigator reviewed the complaint and didn't think SoL had done anything wrong. She found it had relied upon an expert's opinion about the wear to the key and as none of the vehicle's security features appeared to have been activated during the theft, she thought SoL had acted reasonably in declining the claim. G didn't agree. They said the pickup could have been stolen using other methods and referred to what is known as relay theft. They also said anyone who had used the pickup could have lost one of the keys and didn't agree the key they'd provided had been tampered with. G also said SoL had taken too long to decline the claim.

As G didn't agree the complaint has come 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.

The terms and conditions of G's policy say under the sections exceptions:

"Loss of or damage to your vehicle or its contents by theft or attempted theft or an unauthorised person taking and driving it if:

- It has been left unlocked
- It has been left with the keys (or any form of keyless entry / ignition control device), in it or on it
- It has been left with the windows, roof panel or the roof of a convertible vehicle open or
- You have not taken reasonable precautions to protect it"

SoL has also relied upon a second term which says:

"If a claim is made which you or anyone acting on your behalf knows is false, fraudulent, exaggerated, or provides false or stolen documents to support a claim we will not pay the claim and cover under this insurance will end."

I've therefore looked at whether SoL has applied the terms fairly and reasonably in this case. In doing so I've also considered the forensic report on the key which says:

"This is likely one of the original keys issued when new. It is functional, but the wear on the case and blade is as a result of a coarse paper, not through general use; any actual wear has been obscured by the handmade wear."

The report goes on to talk about the security features of this pickup and how it isn't susceptible to relay theft due to how the locking system works. The report details that the most likely cause of theft would be through using a key and says:

"One of the two originals is missing and obviously a huge concern, exacerbated by the fact the key supplied shows unnatural wear."

I understand G disputes this and says the key wear is normal. My role is to determine whether SoL has acted fairly and reasonably in declining this claim. And when taking into account the forensic report, along with the other evidence, such as testimony about the theft and from the previous owner about how many keys the pickup had. I'm not persuaded SoL has done anything wrong in declining this claim.

I've also noted G has complained about how long the claim took. I've considered this and can see the claim did take a few months. However, when taking into account the need to obtain forensic reports and obtain different testimonies, I'm not persuaded SoL took an unreasonable amount of time. It therefore follows that I'm not going to tell it to do anything else.

My final decision

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G1, Mrs G or Mr G2 to accept or reject my decision before 11 August 2023.

Alex Newman

Ombudsman