

## **The complaint**

Mr A is complaining that Hiscox Insurance Company Limited hasn't settled a claim he made on his car insurance policy.

## **What happened**

The facts of this complaint are well known to all parties, so I won't set them out in detail. But, in summary, in March 2021 Mr A says he became aware that a company he'd instructed to restore one of his classic cars had gone into administration. He reported the incident to his broker who advised him to report the claim to the police, which he did. Mr A then proceeded to look to track the car down and eventually located it in a storage facility. He advised Hiscox as such and asked for its assistance as he said he was unable to get the car back and he said it was missing various parts.

Hiscox investigated Mr A's claim but said that it didn't think there was a loss covered by the policy. Mr A didn't agree as he said he'd shown his car was missing a number of parts. So he didn't think Hiscox's decision was fair.

Our investigator didn't uphold this complaint. She said the policy did cover loss or damage to Mr A's car, but it needed to be shown that this occurred during the time Hiscox was the insurer and she didn't think she could reasonably say that was the case. So she didn't think Hiscox had acted unfairly.

Mr A didn't agree with the investigator as he didn't think it's fair his insurance wasn't covering this situation. As he didn't agree, the complaint's 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.

I've decided to not uphold this complaint and I'll now explain why.

The terms of the insurance policy set out what Hiscox covers under the insurance policy and says:

*"We [Hiscox] will cover physical loss of or damage to an insured vehicle occurring during the period of insurance anywhere within the territorial limits."*

So, in essence, unless Hiscox can demonstrate an exclusion clause applies, all Mr A has to show is:

1. His car has suffered loss or damage; and
2. That loss or damage occurred during a period of time Hiscox was insuring the vehicle.

Mr A has said that he first sent the car to the repairing garage in 2012 and the garage was contracted to complete a *"a bare metal restoration"*. In an email to the police Mr A explained that *"work was slow but progress was evident between 2014 and 2017 then slowed down."*

I understand Hiscox has insured the car since June 2016. And Mr A has provided photos of the car showing it was stripped down and in a worse condition than when it went to the repairing garage. So I don't dispute the car has suffered loss or damage. But, for me to say Hiscox is liable for the loss, I have to say that this damage happened *after* it insured the car. But, by Mr A's own admission the work started in 2012 – which would have included the stripping down of the vehicle. It seems to me, therefore, that the damage Mr A is claiming for was most likely done before Hiscox became the insurer.

I recognise Mr A says that he only became aware of the loss in March 2021 which is when he understood the garage ceased trading. But this isn't when the car suffered the damage. It may be this is when Mr A's civil dispute starts with the repairing garage – i.e. when it became apparent that it wouldn't complete the restoration contract. But this doesn't mean it's when the damage occurred.

Ultimately, I remain of the opinion that the damage that Mr A says the car has suffered occurred before Hiscox insured the car. So I can't reasonably say Hiscox should cover the claim.

### **My final decision**

For the reasons I've set out above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 October 2023.

Guy Mitchell

**Ombudsman**