

The complaint

E has complained about Skyfire Insurance Company Limited's decision to decline a claim under a motor insurance policy.

E is represented by Mr J, who is a director.

Mr J dealt with Skyfire's claim investigation company and the insurance broker who arranged his policy, who it seems acted for Skyfire. But – for the sake of ease – I have only referred to Skyfire throughout this decision.

What happened

Mr J took out a policy in his wife's name to cover a vehicle that belonged to E. It was also the registered keeper. The vehicle was stolen from outside of Mr and Mrs J's home in July 2022 and Mr J made a claim under the policy. Skyfire investigated the claim, conducting two telephone interviews with Mr J and reviewing the video footage he'd provided from his doorbell camera showing the vehicle being stolen. It then told Mr J it was declining the claim about eight weeks after he submitted it. It explained this was because of an exclusion in the policy for theft claims when the vehicle had been left unattended and unlocked at the time of the theft.

Mr J complained to Skyfire about this and the fact he'd not had a refund of premium after his claim was declined. It responded to his complaint and provided a refund, plus compensation for its poor communication on the issue. But it didn't respond on his complaint about the claim being declined. So, Mr J asked us to consider his complaint.

One of our investigators did this. She issued her view on it in which she explained that it seemed most likely the vehicle was left unlocked at the time it was stolen, which meant she was satisfied Skyfire was entitled to decline the claim. However, she said its communication on the claim and around the policy premium issue was poor and it should pay £300 in compensation in total for the distress and inconvenience Mr J had experienced as a result of this.

Mr J didn't agree with the investigator's view and asked for an ombudsman's decision. His main point being that he was sure he either locked or tried to lock the vehicle and either it unlocked automatically or a 'jammer' was used to stop him doing so. He made the point that he could have provided video footage from his doorbell camera to show this if Skyfire had told him sooner it was going to decline his claim because his vehicle was unlocked. By the time it did this, it was too late as the footage recorded by the camera was automatically deleted after 30 days.

I issued a provisional decision on 28 September 2023 in which I set out what I'd provisionally decided and why as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

When I first reviewed the complaint I realised that the vehicle that is the subject of the claim

belonged to E. This meant I didn't consider either Mr J nor his wife were eligible to complain about Skyfire's decision to turn down the claim, as neither of them had any financial interest in the vehicle. However, I do consider that E is entitled to complain about the declinature of the claim, even though the policy it was made under was in the name of Mrs J. This is because E has suffered a loss and I think the policy should have been taken out in the name of E.

I've reviewed the policy terms and like our investigator, I can see that it has the following exclusion in it relating to theft claims:

"What is not covered under Sections 1 and 2:

- Loss or damage caused by theft or attempted theft if the keys, keyless device or any other vehicle locking devices are left in or on your car while unattended or left unattended with the engine running.*
- Loss or damage caused by theft or attempted theft if the car is unattended without being properly secured, including windows, roof openings, removable roof panels or hood."*

This exclusion was also highlighted in the Insurance Product Information Document provided to Mrs J when Mr J took out the policy.

I've seen the video footage and I think it is clear from this that E's vehicle was unlocked at the point the thief approached it and this meant he was able to open the door straight away. I say this because at this point the wing mirrors weren't folded in and the indicators didn't flash as the thief approached the vehicle. Mr J did suggest at one point that if he had forgotten to lock it when he came back from the supermarket and parked it outside his house, it would have locked automatically. But, as I understand it, this would not have happened.

So, in my opinion, one of three things must have happened for the vehicle to have been unlocked at the point the thief gained access to it. Either Mr J forgot to lock it when he came home from the supermarket with his family. Or he locked it and it unlocked automatically at some point after this due to some sort of error. Or at the point he tried to lock it someone was standing nearby with a 'signal jammer' that prevented the signal from the key fob getting to the vehicle and it locking. This would have left Mr J thinking he'd locked it when he actually hadn't.

And in order for me to be satisfied that it would be fair and reasonable to let Skyfire's decision to reject the claim stand, I need to be satisfied that it has shown it is more likely than not that Mr J left the vehicle unlocked. I say this because if I was persuaded he'd locked it or thought he'd locked it, I'd be unlikely to consider it fair for Skyfire to rely on the abovementioned exclusion to decline the claim. Whereas if he left it unlocked I'd be satisfied it wasn't properly secured and that the abovementioned exclusion could fairly applied.

Having given very careful consideration to what might have happened, I am satisfied that Skyfire has shown that it is more likely than not that Mr J didn't lock the vehicle when he came home from the supermarket. This is because it seems unlikely that the thieves would have used a signal jammer and then not come back to steal the vehicle for several hours. And I think it is very unlikely that there was a fault with the vehicle that caused it to unlock when Mr and Mrs J had been using it for a significant period of time without this having happened previously.

I appreciate Mr J wasn't asked to provide the video footage from when he left the vehicle on his return from the supermarket. And that by the time he realised this could help prove he

locked or attempted to lock the vehicle it had been deleted. But this doesn't alter my view that it is more likely than not that the reason it was unlocked when the thief approached it was that Mr J left it unlocked.

This means I do not consider it would be fair and reasonable for me to interfere with Skyfire's decision to decline the claim.

I do agree with our investigator that Skyfire took too long to communicate the decision on the claim. And it also took too long to provide a refund of premium. But this caused Mr and Mrs J distress and inconvenience, not E. And – as I've already explained – because the policy should have been in the name of E and not in Mrs J's name, I can't award compensation to Mr and Mrs J.

I gave both parties until 22 October 2023 to provide further comments or evidence. Neither party has responded.

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 neither party has provided any further comments or evidence in response to my provisional decision, I see no reason to alter the conclusion I reached in it on the fair and reasonable outcome to E's complaint.

My final decision

For the reasons set out in my provisional decision, my final decision is that I do not uphold E's complaint about Skyfire Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 22 November 2023.

Robert Short
Ombudsman