

The complaint

Mr C and Mrs C complain about U K Insurance Limited's ("UKI") decision to decline their claim under their motor insurance policy.

Mr C has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, by either Mr C or Mrs C as "Mr C" throughout the decision.

What happened

Mr C's car was stolen, so he made a claim to UKI. After carrying out verification checks, UKI declined the claim on the basis Mr C's car didn't have an active tracker at the time of the theft. Mr C complained about UKI's decision. UKI responded and referred to an endorsement on Mr C's policy setting out a requirement for his car to be fitted with an active and working tracking device. They explained as the endorsement hadn't been met, the decision to decline the claim was correct.

Our investigator looked into things for Mr C. She thought UKI hadn't acted unfairly in declining the claim. Mr C disagreed so the matter has come to me for a decision.

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.

Having done so, I've decided not to uphold the complaint. I understand Mr C and Mrs C will be disappointed by this but I'll explain why I have made this decision.

My starting point is Mr C's motor insurance policy booklet. This sets out the terms and conditions and, under the section covering claims for loss of a car, it says UKI will not cover *"loss or damage caused by theft, or attempted theft, if any security or tracking device, we insist is fitted to your car, has not been set or is not in full working order"* and *"loss or damage caused by theft, or attempted theft, if the network subscription for any tracking device which we insist is fitted to your car, is not current and operable."* The Schedule of Insurance says, under a heading 'Endorsements applicable to this vehicle', *"We will not provide cover for theft or attempted theft unless your vehicle has been fitted with an approved, pro-active vehicle tracking device. The device must be activated and working efficiently at all times and all subscriptions must be paid and up to date. Any driver recognition device for the tracking system must be removed from the vehicle when left unattended. A copy of the installation certificate must be sent to us when requested."*

There's no dispute Mr C's car didn't have a fitted tracker – and I can see this is recorded in the Statement of Fact document. Mr C does explain though, when he first took out the policy for his car, he explained to the broker his car has an 'InControl' app and this led to a proportion of Mr C's premium being refunded. The information provided by UKI also supports this. The 'InControl' app provides a suite of services for the specific manufacturer of Mr C's car - one of these services being tracking. I've looked on the manufacturer's website and it says an 'InControl' subscription is included with the purchase of a new car but, after the

initial three-year subscription period ends, this will need to be renewed at a cost. Mr C confirms the subscription wasn't renewed after the initial three-year period ended.

The endorsement requires Mr C's car to have a tracking device, and for this to be activated and working, as well as all subscriptions paid. So, given that the tracking feature wasn't activated through payment of the subscription, I can't say UKI have acted unfairly in relying on the endorsement to decline Mr C's claim.

Mr C says he wouldn't have ignored the requirement for a tracker to be fitted. He says there's no separate correspondence from UKI requesting installation of a tracker and, given that there's a policy endorsement, he queries why UKI haven't included the tracker details on the Statement of Fact. I acknowledge Mr C's points, but given there's a policy endorsement, I don't believe UKI should be expected to write separately asking for Mr C to install a tracking system. The endorsement sets out the terms relevant to Mr C's car, so I believe this is sufficient in explaining what steps UKI expect Mr C to take to ensure his car will be covered in the event of theft. I note Mr C says the endorsement notes that UKI require a copy of the installation certificate, yet it was never requested. I acknowledge the endorsement says a copy of the tracker installation certificate must be sent to UKI, but this is only when requested. It's not unusual or uncommon for such requests to be made in the event of a claim. And in this case, I can see UKI did request tracker information following Mr C registering his claim.

I acknowledge Mr C says his previous car, which was the same make and model as his car which was stolen, was also insured through UKI. He says there was no tracker requirement for his previous car. The information provided by UKI shows they decided to waive the tracker requirement for Mr C's previous car based on its value and overnight storage. I do understand why Mr C has queried the difference in UKI's position here, but it's up to an insurer to decide what risks they're prepared to accept. And even though UKI decided to waive the requirement for a tracker to his previous car, it doesn't mean they're expected to take this same approach to a different car despite it being similar in make and model. In addition to this, I can see the endorsement was in place when Mr C first added his car to the policy as well as the three subsequent policies. So, I'm satisfied the endorsement was in place, and the requirement set out under the endorsement was also made clear.

I can see Mr C also makes a point that, having spoken with the police, they've informed him that the tracker device wouldn't have prevented his car being stolen and these are often disabled in seconds. I do acknowledge Mr C's points and I do accept a tracking feature doesn't necessarily prevent a car being stolen. The feature they do have though is to potentially locate a vehicle after it has been stolen. So, it's not uncommon for insurers to have such endorsements in place for specific cars. I acknowledge Mr C's point about tracking devices being disabled during theft, but I don't believe this should mean insurers shouldn't apply such endorsements – or that it shouldn't have been applied to his policy.

Mr C says UKI made a settlement offer which he accepted, and he feels it's unfair for them to have subsequently withdrawn this. I do acknowledge this was frustrating for Mr C but, from the information I've seen, I don't think UKI had agreed to settle Mr C's claim. I can see UKI requested information about any tracking features and Mr C explained no tracker had ever been fitted to his car and it only had the 'InControl' app, but this was disabled. The claim notes show UKI then look into the 'InControl' app and note it does have some tracker functionality depending on what subscription is taken out. The note says they're also aware that some vehicles have this as standard for a number of years for free as part of the sale. The information shows UKI were considering this point further and ask for permission to speak with the tracking company who provide this service.

An engineer then calls Mr C to discuss a settlement offer for his car. The engineer says they've based the value on motor-trade guides and have arrived at a settlement amount of £35,990. The engineer says the claims team have explained this is a 'without prejudice' offer at the moment. The notes of the discussion between the engineer and the claims team say it was agreed this was to be a report only discussion between the engineer and Mr C as the claims team are still investigating a potential tracker issue. It's later established that Mr C didn't have the tracking feature and UKI then decline the claim.

I do acknowledge this was frustrating for Mr C, but the information shows, even though the engineer did discuss a settlement offer with Mr C, he did explain this was still under review by the claims team. In addition to this, and around the time of this conversation, it's clear from email exchanges between UKI and Mr C, there was still an issue in relation to the tracker endorsement. So, I don't think it was unreasonable for UKI to have declined the claim even after a settlement value had been discussed with Mr C.

I understand Mr C will be disappointed, and I am sorry to read about the impact the theft has had. But my role here is to decide whether UKI have acted fairly and reasonably in declining the claim – and from the information I've seen, I think they have. I wish to reassure Mr C I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 24 October 2023.

Paviter Dhaddy
Ombudsman