

The complaint

Mr S complains about how Admiral Insurance (Gibraltar) Limited handled a claim made on his motor insurance policy.

What happened

Mr S's car was damaged in an incident and declared a total loss. Mr S said he'd been attacked, and his car had been stolen. It was then involved in a collision. Mr S made a claim to Admiral, but he was unhappy that it had delayed settling it. Mr S said he'd provided phone records, attended an interview with a private investigator and the police and also provided a DNA sample. He said Admiral had received the police report but hadn't paid his claim. Admiral later repudiated the claim and cancelled the policy as it said Mr S had provided inconsistent accounts of the claim circumstances.

Our Investigator didn't recommend that the complaint should be upheld. He thought Admiral was entitled to investigate the claim in order to validate it. He thought it wasn't responsible for the police's delays in providing reports. He thought it hadn't caused avoidable delays in progressing the claim. He thought Admiral had made contact with the car's finance company about the claim. And, due to the inconsistent versions of events, he thought it wasn't unreasonable for Admiral to decline the claim.

Mr S replied that he disagreed, and he provided a voicemail of his report of the incident to the police. He said he had concussion and memory loss at the time which accounted for the differing versions of events.

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 can understand that Mr S felt frustrated with the length of time it took for Admiral to investigate and validate his claim. And I can also understand his disappointment that the claim was eventually repudiated despite his co-operation. I can see that this will have difficult financial consequences for him and his family.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably. So I've looked at the file provided by Admiral and the submissions made by Mr S.

It took Admiral about seven months to finally decide to repudiate the claim. During this time, it interviewed Mr S, it instructed a claims investigator to interview him, it sought a report from one police force which led it to ask for a second force's report, and it analysed the car's keys.

I'm satisfied that it was reasonable, and in keeping with industry practice, for Admiral to investigate the theft claim and validate it. Some of the investigation was outside of its control. I can see that the police reports were delayed, but I don't think this is unusual and I can't hold Admiral responsible for this. And I can see that the locksmith's report was delayed due to difficulties in reading the keys' data. But I think Admiral reasonably pressed for the reports and didn't make any avoidable delays in conducting the investigation.

The outcome was that Admiral repudiated the claim because it couldn't accept that the incident had happened in the way that Mr S had reported to it. I've listened to the various recordings and read the interview notes and police report. And I'm satisfied that Admiral had reasonable grounds for doubting Mr S's account because of the variations and discrepancies between his statements.

Mr S said he had memory loss, and this accounted for the variations in his statements. But I'm not persuaded by this. This is because I can't see that he sought any medical attention for this condition, the concussion he suffered, or the bump on his head, despite the police advising him to do so. So there's no evidence to show that his memory was affected.

Also, there are factual differences between his statements that aren't explained by a loss of memory. And Mr S declined to provide details of a person he said he had been with on the night in question and another on the following day so that Admiral could validate his account.

Admiral then relied on Fraud terms and conditions in the policy to repudiate the claim and cancel the policy. I'm satisfied that it's entitled to do this by the policy's terms and conditions which are clearly stated in the policy booklet:

"General Condition 9: Fraud

You must always answer our questions honestly and provide true and accurate information. If you, any other insured person or anyone acting on your behalf:

- provides us with false, exaggerated or misrepresented information*
- submits false, altered, forged or stolen documents.*

We will take one or more of the following actions:

- cancel your policy, under certain circumstances this may be with immediate effect*
- refuse to pay your claim or only pay part of your claim*
- keep the premium you have paid recover any costs incurred from you or any other insured person."*

Mr S also had a duty to co-operate with Admiral's investigation. And I'm satisfied that Admiral reasonably decided that he didn't do this because he didn't provide the witness details and he wouldn't provide a statement until after he was aware the police weren't taking action against him.

So I can't say that it was unfair or unreasonable for Admiral to cancel Mr S's policy and repudiate his claim for the loss of his car.

Mr S was unhappy that Admiral wasn't responding to his car's finance company. But I can see from Admiral's file that, after it first made contact, Admiral provided it with monthly updates. I think that was fair and reasonable.

Our Investigator has already advised Mr S that if he wishes to complain about Admiral's actions following its final response letter, then he would need to raise this with Admiral first to give it a chance to respond.

My final decision

For the reasons given 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 S to accept or reject my decision before 2 August 2023.

Phillip Berechree

Ombudsman