

The complaint

Mr C has complained about Admiral Insurance (Gibraltar) Limited's decision to reject a claim he made for the costs of a replacement car key. Mr C wanted to make a claim under his car insurance policy.

What happened

Mr C registered a claim online with Admiral for the costs to replace a key for his car. Admiral said these costs were not covered under the policy, so didn't accept his claim.

Mr C complained to Admiral, but it didn't uphold his complaint.

Mr C asked us to look at his complaint. He said the agent he spoke to told him Admiral gets many calls about this – which Mr C says shows the policy wording isn't clear. Mr C wants Admiral to change the policy wording to be clearer, and to meet the costs of up to £300 for the replacement key.

Our Investigator didn't recommend the complaint should be upheld. Mr C didn't agree. I've addressed his points in my findings below.

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.

Mr C says the policy wording isn't clear that the locks have to also be changed. He says in any event, this is an unfair term as it doesn't further enhance the security integrity of the vehicle.

The Investigator wrote in her view “...most importantly it doesn't say anywhere in the policy that cover is provided for the loss of a single key or a replacement of a single key.”

Mr C says his dispute isn't about the replacement of a single key, but whether a lock also needed to be replaced. He sought advice from the manufacturer, they advised him to replace the lost key with a new one and get it recoded. So there was no need to change any locks. He says it seems unfair that in order to have his claim met, he would have had to gratuitously have the locks changed, which would have cost far more than the £300 limit under the policy. He says digital keys have been around for years now and he couldn't have interpreted the policy in the way the Investigator has. He says the fact that an agent told him a significant number of other customers raised the same point is something that shouldn't be dismissed as it is crucial evidence to support his complaint.

Mr C concludes that we should uphold his complaint against Admiral as there is doubt about the meaning of the contract.

Mr C's policy with Admiral is an agreement by Admiral to cover Mr C, subject to the terms and conditions contained in this document, against any liability, loss, or damage that arises due to the use of his vehicle during a period of insurance.

The key term in question says the following:

“3. Lost or stolen keys

If you lose your vehicle’s keys, or any other ignition device, or they are stolen from somewhere other than your vehicle, we will pay up to £300 towards the cost of replacing the locks and keys.

Once we agree to your claim, you must pay to have your locks and keys replaced and we will reimburse you up to £300.”

I appreciate Mr C’s comments about the change in technology with digital keys. I think the wording takes this into account where it reads; *“or any other ignition device”*. Even so, I don’t think this makes a difference to the outcome. I think the policy wording is clear.

Because an agent made a comment about other customers’ enquiries about this term, I can understand why it matters to Mr C, as he agrees with what he was told.

However, it doesn’t change my view. I think Admiral’s policy clearly says that only when it agrees the claim, and a customer has paid to have *both* (my word) the locks and keys replaced, it will reimburse up to the value of £300. These are clearly the conditions under which Admiral will meet a claim for lost or stolen keys.

I understand it wasn’t necessary for Mr C to replace the locks to his car. But I haven’t seen anything to persuade me that his means Admiral should meet his claim for the costs he paid to have a replacement key recoded.

My final decision

I’m sorry to disappoint Mr C. But for the reasons I’ve 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 C to accept or reject my decision before 12 April 2024.

Geraldine Newbold
Ombudsman