

The complaint

A limited company, which I'll refer to as G, complains that QBE Limited (QBE) has unfairly declined a theft claim on its policy.

Mr R, who is a director of G, brings the complaint on G's behalf. For ease of reading, I'll refer to all comments and actions of G's broker and Mr R, as being those of G.

Any reference to QBE includes its agents.

What happened

As both parties are familiar with the circumstances of this complaint, I've summarised them briefly below.

G took out a Motor Fleet insurance policy. On 30 April 2023, a caravan which G used for work events and contained work equipment, was stolen. G made a claim on its policy.

When reporting the claim to QBE, G was advised the claim would be covered. QBE later declined indemnity. In doing so, they said the policy didn't provide cover for caravans.

Unhappy with QBE's decision to decline the claim, G brought the complaint to our service. Our investigator didn't uphold G's complaint. In summary, he said he was satisfied the policy didn't provide cover for caravans and therefore QBE hadn't acted unfairly or unreasonably by declining the claim.

G didn't agree. It maintained that the caravan met the definition of a trailer as there were no exclusions in the policy to exclude it.

G didn't agree with what our investigator said and so the complaint has come 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.

Having done so, I'm not upholding this complaint. I'll explain why.

I've read and carefully considered everything G and QBE have said. However, my findings focus on what I consider to be the central issues, and not all the points raised. I don't mean any discourtesy about this, but it simply reflects the informal nature of this service.

In this decision, I'm only considering the actions of QBE as the insurer of G's policy. Any concerns about how the claim was reported by the broker to QBE is a separate matter - G may wish to raise this separately with the broker.

Policies can vary considerably in the types of cover they provide. When making a claim, it

has to be shown the policyholder has suffered loss or damage that their policy covers. G has argued that the theft of the caravan should be covered under section D of the policy - trailer cover.

Trailer is defined in the policy as:

“Trailer

Means any articulated, semi-trailer or draw-bar trailer constructed and used for the primary purpose of being towed by a motor vehicle.”

G has argued that a ‘trailer’ is “an unpowered vehicle pulled by another” and therefore its caravan meets this definition. I have carefully thought about what G has said but I note that QBE has specifically defined ‘trailer’ in the policy. When an insurer defines a word it’s with the intention to limit the scope of cover from a more boarder interpretation.

It’s also important to note that we’re not a regulator. That means it’s not my role to tell an insurer what type of cover it ought to provide. Neither is it my role to tell an insurer what factors it should take into account when assessing the risk it wants to provide cover for. Different insurers will have different views on what presents a risk and the extent of those. That’s essentially a matter of commercial judgement. And our service generally takes the view that, providing insurers treat people fairly - by providing information that is clear, fair, and not misleading - insurers are entitled to provide cover for the risks they choose.

So when considering whether QBE has done anything wrong, I need to take into consideration the definition of ‘trailer’ as described in the policy. In this case, I’m satisfied that cover for trailers is limited to that those defined in the policy as a ‘trailer’.

I have reviewed a copy of the purchase invoice along with the details of the caravan provided by G. Based on the information I’ve seen; I’m satisfied that the caravan is not a trailer as per the description in G’s policy. It therefore follows that QBE haven’t acted unfairly or unreasonably by declining G’s claim under this section.

G has argued that during the initial reporting of the claim, it was told the theft would be covered under the policy. QBE acknowledged this and apologised for initially stating it would be covered. QBE explained it was initially reported as a stolen trailer and it only became apparent that it was a caravan when they received the accident report, at which point they informed G that the theft of the caravan wasn’t covered under the policy. I understand why this must have been disappointing for G. But, having reviewed the claim form, it clearly states, “theft of trailer”, I’m therefore persuaded that QBE advised correctly on the information they were provided at the time. They have however apologised and explained the reason for the change in their stance on indemnity and I think that’s reasonable.

G also complains about the delays in registering the claim. QBE acknowledged there were some delays in logging new claims. They apologised for any inconvenience this may have caused. I don’t require QBE to do anything further in this respect.

I appreciate this will come as a disappointment to G and I understand the impact this theft has had on it. But for the reasons explained, I can’t reasonably ask QBE to take any further action.

My final decision

My final decision is that I don’t uphold this complaint.

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

Ankita Patel
Ombudsman