

The complaint

Mr and Mrs H complain about how Admiral Insurance (Gibraltar) Limited handled their motor insurance claim.

What happened

The details of the claim are well known to both parties, so I won't repeat them again here. Instead, I'll summarise the background and focus on the reasons for my decision.

Mr and Mrs H bought a car on 12 July 2022 for £8,495 using finance. They insured the car with Admiral in Mrs H's name with Mr H as a named driver.

On 26 September 2022, their car was stolen from outside their home in the early hours of the morning although. They didn't realise the car had been stolen until they went to use the car at around 9am. Someone standing next to the car and the car being driven away was captured on their security cameras around 2am. The matter was reported to the police.

Mr and Mrs H explained both keys for the car were kept in signal blocking pouches although one set of keys had no battery and hadn't worked from the outset. After Mr and Mrs H sent Admiral the two keys they had for the car, it had them analysed. In summary, the report said the following:

Key 1 – This key was for a different vehicle and was last used for that vehicle on 25 July 2022.

Key 2 – This key was for Mr and Mrs H's car and was last used in August 2018 when the data recorded from the car was approximately 30,000 miles less than when they bought it. The data also showed the remote wasn't transmitting the signal needed to operate the remote-control functions on the key.

As a result of this information, Admiral declined the claim for the theft of Mr and Mrs H's car in line with their terms and conditions, specifically general conditions 3 and 9. It believed Mr and Mrs H had made a deliberate attempt to mislead Admiral over the circumstances surrounding the incident. Because of this, Admiral cancelled the policy immediately, as its terms permitted it to do for a breach of general condition 9.

Mr and Mrs H didn't agree and said the declined claim has had a significant impact on them and their family. They complained but Admiral didn't change its mind, so they brought their complaint to this service. They explained the following in relation to the keys.

Key 1 – This was last used by them on 25 September 2022, the evening before the car was stolen. They've always used this key as its the key that has always worked for their car.

Key 2 – The key didn't work on the central locking and so they didn't use it but had started the car with it when they first bought the car.

An Investigator reviewed matters and thought Admiral had acted fairly and reasonably in declining the claim and cancelling the policy. She agreed the spare key – Key 2 – didn't work having seen emails to the dealership where they bought the car to support this. The Investigator noted Mr and Mrs H said they used the spare key when they first purchased the car, but only to drive a short distance as it wouldn't activate the central locking system. She explained this wouldn't have triggered the key to register any data as the journey has to meet certain requirements (time driving and minimum speed) which would explain why the latest data was from 2018.

In relation to Key 1, the Investigator considered what had been said about fobs being reprogrammed to a different vehicle, but she didn't consider this had happened here. This is because Key 1 last recorded data on 25 July – after they'd bought the car and a day before the vehicle which Key 1 was registered to was stolen. She concluded this suggests Key 1 would never have worked to operate Mr and Mrs H's car, as the key was programmed to the engine control unit for a different vehicle.

The matter was passed 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.

I recognise I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this and it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I've given careful consideration to all of the submissions made before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome.

Having done so, I must explain to Mr and Mrs H I consider the Investigator reached a fair outcome in this matter and I agree with the reasons set out for their outcome. So, I won't be asking Admiral to do anything more to put things right. I'll explain why.

The starting point of any claim made under an insurance policy is the contract between the customer and the insurer - the policy document.

Mr and Mrs H's policy entitles it to decline a claim and cancel a policy where it's satisfied there has been a breach of general conditions 3 and 9. The policy entitles it to cancel the policy immediately for a breach of condition 9.

General Conditions 3 and 9 are set out below:

'General Condition 3: Care of your vehicle

You and any other insured person must:

- *protect your vehicle from loss or damage*
- *...*
- *remove and secure any keys or device that allows access to your vehicle; if it is left unoccupied.*
- *...*

Failure to comply with the above could affect the amount you are able to claim, result in the claim being refused and/or your policy being cancelled.

If an incident happens, which is directly or indirectly caused or contributed to by any of the following:

- ...
- *your vehicle being left unlocked or unsecured.*

No cover under the policy will be given and instead our responsibility will be restricted to meeting the obligations as required by Road Traffic Law.'

'General Condition 9: Fraud and misrepresentation

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:

- *amend your policy to show the correct information and apply any change in premium*
- *cancel your policy, under certain circumstances this may be with immediate effect*
- *declare your policy void*
- *refuse to pay your claim or only pay part of your claim*
- *only pay a proportion of your claim*
- *keep the premium you have paid*
- *recover any costs incurred from you or any other insured person.*

If we identify any fraud or misrepresentation, we will cancel or void any other EUI policies you are connected with.'

Admiral had fair and valid concerns about how the car was stolen when both keys were retained in signal blocking pouches. So, it was reasonable for it to request a report into the data contained on those keys

Admiral have relied on this report to determine there has been a breach of the terms and conditions of the policy. I'm satisfied it was fairly and reasonably able to do so.

Based on the evidence I've seen, it's not possible to say Key 1 - the key Mr and Mrs H said they used as the main car key since buying the car - had been used to drive it. I'm persuaded it wouldn't have been possible to do so as it was programmed for a different vehicle and had been used in that – now stolen vehicle – after Mr and Mrs H had bought their car.

As a result of Admiral being satisfied Mr and Mrs H had breached general condition 9, it was reasonably able to cancel their motor insurance policy with immediate effect.

Having reviewed everything, I don't consider it'd be appropriate for me to interfere with Admiral's decision to refuse Mr and Mrs H's claim and cancel their policy, or to require it to take any other action.

My final decision

My final decision is I don't uphold this complaint against Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 13 September 2023.

Rebecca Ellis
Ombudsman