

The complaint

Mr B says Zurich Insurance PLC wrongly declined a claim he made on his motor insurance policy after the theft of his campervan.

What happened

Mr B's vehicle was stolen in January 2023. The police found it later the same evening, burnt out. Zurich declined the claim because a driveway endorsement on Mr B's policy said cover wouldn't apply unless the vehicle was kept on his property when not in use. Mr B said it was usually kept on his drive, but he'd left it outside to prepare it for a long trip the next day.

One of our investigators reviewed Mr B's complaint. He thought Zurich had acted reasonably in relying on the policy endorsement. He noted that Mr B had witnessed a recent firebombing of a car close to his home, and that during its investigation into the theft, Zurich found a speeding offence and a claim relating to Mr B's other vehicle that he hadn't reported to it.

Mr B said he thought Zurich had shown that it didn't intend to meet the claim from the outset, partly because it had looked at historic satellite images of his property. He said the firebombing had led him to upgrade the CCTV coverage of his home and its surroundings, which had meant the theft of his vehicle was recorded. He said he'd taken other security measures to protect the vehicle by locking it and by using a steering-wheel lock. He said he thought the points on his licence had expired, and that he thought Zurich was already aware of the recent claim on his other vehicle.

As there was no agreement, the complaint was passed to me for review.

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 B made numerous comments to our investigator, and I've read them all, but I don't intend to address every point he raised. I'll concentrate on what I think are the main issues.

When Mr B took the policy out in 2021, and at renewal in 2022, he agreed to keep to all the policy's terms and conditions, one of which was the driveway endorsement. It said that the loss of or damage to the vehicle would be excluded from cover if the vehicle - when parked at Mr B's home - wasn't on his private property. The endorsement showed that UKI thought the risk of covering a vehicle like Mr B's campervan would be too great for it to take on if the vehicle were to be left outside a consumer's private property.

Although Mr B took security precautions to protect the vehicle on the night of the theft, they weren't sufficient, or it wouldn't have been stolen. And anyway, the point is that he'd agreed to comply with the driveway endorsement and to keep the vehicle on his property. Had it been on his drive that evening, it may not have been taken. Mr B says it wasn't usually parked on the road - but that's not relevant to the fact that when it was stolen, it was taken from a public place where he'd left it.

Mr B thinks exceptional circumstances should apply, as he'd only moved the vehicle off his drive to prepare it for the trip the next day. At one point he suggested that the trip had started - as far as he was concerned - so the endorsement shouldn't apply. But clearly, that isn't the case, as Mr B was still at home that evening and overnight. So he could have moved the vehicle back onto the drive after working on it in the afternoon. He thinks it's unfair that if he'd moved it to his friend's house seven miles away on the night before the trip, the claim would have been paid. I think that's probably right, but the endorsement is clear about what must be done whilst the vehicle *isn't* in a place away from a consumer's home.

Mr B says he thinks Zurich never intended to cover the claim. I think it probably formed that view early on in the process, as he told it straight away that the vehicle wasn't on his property when it was taken. So Zurich knew from the outset that he'd breached the driveway endorsement. I think it was reasonable for it to conclude that the risk of the loss of or damage to the vehicle increased substantially once it was left on the road outside his property. Mr B thinks it took too long to deal with the claim if it already knew the outcome. But we think insurers should investigate claims fully, and consider all the facts, especially when the potential consequences of declining a claim are serious for a consumer.

Mr B was upset by some aspects of Zurich's investigation. He didn't like the fact that it used historic satellite images and he got the impression that Zurich doubted whether he had a driveway at all, and if so, whether it was big enough to store the campervan. He didn't think it was necessary for Zurich's investigator to measure the driveway. But satellite images are often used in investigations, and I can see why Zurich thought the images weren't conclusive as to the size of the driveway. There was no image showing the vehicle parked on it. Mr B told us it was a very tight fit. So I think it was reasonable for Zurich to want to measure it.

I understand why Mr B was very upset by what he saw as implied criticism of him and also by the doubts he perceived on Zurich's part about his version of events. But I think it was reasonable for Zurich to carry out all the enquiries it thought were needed in order to deal with the claim fairly. Unfortunately, it's a fact that some consumers set out to mislead insurers, so I think they're entitled to try to establish the facts whenever a claim is made on a policy. Zurich hasn't said that Mr B tried to mislead it about the theft claim. And although the investigation threw up potential concerns about other issues, Zurich didn't pursue them.

Having reviewed everything Mr B has provided, plus the details of Zurich's investigation, I think it acted reasonably in declining the claim after deciding that Mr B had breached the endorsement. Mr B knew or should have known that not complying with it could lead to a claim on the policy being declined, yet he chose not to keep to its requirements. I know he didn't think he was taking a risk, given the precautions he took, but that makes no difference.

Mr B told us he'd invested his savings in the vehicle and in making improvements to it, so he can't replace it without a total loss payment from Zurich. I think the claim's non-payment has had an enormous impact on him, and he has told us he's felt almost suicidal. Our investigator advised Mr B how to access help with his mental health, and if he hasn't done so already, I hope he'll do so now. I'm very sorry about the extent to which the theft and its aftermath have impacted on Mr B, mentally and financially. But despite my sympathy for him, I can't uphold his complaint, as I don't think he's shown that Zurich did anything wrong.

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 Mr B to accept or reject my decision before 2 November 2023.

Susan Ewins

Ombudsman