

The complaint

Mrs G complains One Insurance Limited unfairly declined to settle her claim on her motor insurance policy after her car was stolen.

What happened

Mrs G's home was broken in to and her car keys were stolen. Her car was then stolen from the driveway of her home address.

Mrs G reported the incident to the police and the next day she made a claim on the motor insurance policy that she held with One Insurance.

One Insurance declined to settle her claim. It said as her car was parked on the drive of her home the theft was not covered. It said this was due to the garaging overnight endorsement within her policy that excludes loss or damage to her vehicle between the hours of 10.00pm and 6.00am, unless the vehicle was kept in a locked garage at this time.

As Mrs G was not happy with One Insurance, she brought the complaint to our service.

Our investigator did not uphold the complaint. They looked into the case and said the policy clearly states there is an exclusion for loss or damage if the car is not in a locked garage between 10.00pm and 6.00am. They said One Insurance acted in line with the policy and Mrs G should've been reasonably aware of the restriction.

As Mrs G is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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 saw Mrs G initially took out a motor insurance policy with One Insurance in April 2018. In March 2022 Mrs G changed car and contacted One Insurance to inform it of the change. Her policy was updated with the new car details.

When Mrs G changed her car and updated her motor insurance policy she was asked

*"Please confirm that the below assumptions are correct:
Your vehicle will be kept in the same place overnight."*

Mrs G responded that this was correct.

I looked at the policy schedules that were issued to Mrs G and saw from its inception in April 2018 an overnight garaging endorsement applied.

I saw on the policy schedules issued from 2018 it says;

"Endorsements applying – Overnight garaging warranty applies".

It further explains as follows

“GOI - Garaging Overnight

Your insurance policy excludes cover for loss or damage to your vehicle between the hours of 22:00 (10pm) and 06:00 (6am) whilst your car is being kept at, or within 1/2 mile of, the garaging address (or address advised on your insurance policy), unless it is kept in a locked garage at the time of the loss or damage.”

This confirms as the car was not garaged overnight, when the theft occurred it was not covered by the terms and conditions of her policy.

Mrs G said there were mitigating circumstances why her car was not garaged overnight. She said this was due to the need to have access to the car in a rush in case of needing to get to a family member who was ill. She also said she was at risk of redundancy and her attention to detail was not as it should have been.

I have considered this and although I understand Mrs G has also had a number of personal issues to deal with in the months leading up to the theft of her car, it is still the onus of herself as the policy holder to ensure the accuracy of the policy details. And as she said her car is kept in a garage overnight it means the endorsement is applicable.

I accept it was never Mrs G's intention to act improperly but it was clear in the details supplied regarding her policy that for the cover to apply the car must be garaged between the hours of 10.00pm and 6.00am. I checked to see if the overnight garaging endorsement was new endorsement which could have been missed. I found it had been in place since the inception of her policy with One Insurance in 2018 and was detailed at all renewals and when the change to her car was made.

I have not seen that there was a short-term unavoidable event why the car couldn't be garaged. Mrs G confirmed she had been parking on her drive over night for a few months prior to its theft so it was not a one-off unavoidable event.

I think Mrs G had enough opportunity when her personal circumstances changed to update One Insurance that she was not parking her car in the garage. It could have had the considered this change to her details and amend her cover to accommodate this. It is not possible to make a claim and then change the details on where the vehicle is kept overnight so that cover was in place.

Mrs G has also said the cost of her policy premiums would have been cheaper if she had said the car was parked on the drive so there was no financial gain for her to say it was garaged overnight. She feels this is an unfair term in her policy.

When calculating what premium to charge individual policyholders, insurers will take numerous different factors into account. And providing they treat people fairly, insurers and brokers are entitled to charge what they feel they need to in order to cover a risk. And One Insurance provided me with commercially sensitive evidence which confirmed parking a car in a garage would provide a cheaper quotation than being parked on a drive.

Although I know this will come as a disappointment to Mrs G and she has suffered a large financial loss, I cannot fairly tell One Insurance to settle her claim.

Therefore I do not uphold her complaint and I do not require One Insurance to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 3 November 2023.

Sally-Ann Harding
Ombudsman