

## **The complaint**

Mr Z's complained that UK Insurance Limited ("UKI") declined his claim for theft of his car and cancelled his motor insurance policy because they didn't believe his account of events.

## **What happened**

Mr Z bought his car in early 2017. He bought it new from a dealer. He part exchanged a previous car and paid the balance in cash. He changed the registration of the car for a personal one. And he bought return to invoice GAP insurance.

In September 2019 Mr Z left his house on a Sunday morning and found his car was missing. He said he'd not used it since the previous Friday night. And that the car had been parked in his street, but not directly in front of his house. He still had both keys.

Mr Z checked a mobile application he had that was connected to his car. And this said the car had been driven in the early hours of the Saturday morning. Mr Z said this wasn't him. So he reported that the car had been stolen to the police and to UKI.

UKI started an investigation into the circumstances of the theft. That took a couple of months. UKI then declined Mr Z's claim and cancelled his policy. This was because they weren't satisfied the theft had happened as Mr Z had described, if at all. UKI thought Mr Z had been trying to gain financially from his policy – when he wasn't entitled to. It listed some of the reasons it thought this was the case. It said Mr Z:

- hadn't given them accurate information about how he'd paid for the car, in an attempt to mislead them;
- had started trying to get his private plate removed two days after the theft, because he knew the car wasn't going to be found;
- wasn't clear about where he kept the car keys;
- hadn't been truthful about who drove the car;
- hadn't reported that the car had been damaged previously in an accident. UKI said it could tell that warning lights had been flashing up on the car. And these looked to have been the type of thing that would have happened if the car had been in an impact;
- hadn't noticed the car was missing for over 24 hours, even though it was parked in his road; and
- there'd been several motor trade searches on the car, as if Mr Z was looking to sell the car before the theft.

Mr Z complained to our service about UKI's decision. He said he'd co-operated with UKI's investigation and had given them the information they'd asked for. And that he'd been truthful in what he'd told them, but UKI hadn't accepted what he'd said.

Our investigator considered the complaint, but she didn't think UKI should have done anything differently. She said that UKI had done a thorough investigation and had found some conflicting information. So it wasn't unreasonable they'd rejected Mr Z's claim.

Mr Z didn't agree with the investigator's view. So I've been asked to make 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.

Having done that, I'm not upholding Mr Z's complaint. I'll explain why.

UKI can decline a claim if they think a condition of the policy have been breached. In this case, UKI feel that, based on the evidence they have, it's likely Mr Z did breach the fraud condition of his policy. I've checked the terms and conditions of the policy in relation to this, and they say:

### **"9      *Fraud***

*You must be honest in your dealings with us at all times.*

*We will not pay a claim that is in any way fraudulent, false or exaggerated.  
If you, any person insured under this policy or anyone acting on your behalf attempts to deceive us or knowingly makes a fraudulent, false or exaggerated claim:*

- *your policy may be cancelled;*
- *we may reject your claim and any subsequent claims;*
- *we may keep any premium you have paid.*

### ***What happens if we discover fraud***

*We have the right to cancel any other products you hold with us and share information about your behaviour with other organisations to prevent further fraud.*

*We may also involve the relevant authorities who are empowered to bring criminal proceedings. If a fraudulent, false or exaggerated claim has been made under any other policy you hold with us, we may cancel this policy."*

Given the above, I'm satisfied that, if a policyholder has breached this condition, UKI are entitled to decline any claim made and cancel the insurance policy. It isn't for us to decide whether a policyholder has acted fraudulently or not. Rather, I need to decide if UKI acted reasonably on raising the fraud condition and taking the action it has.

So, I've looked at what UKI have taken into account, and whether I think this was fair. I've seen UKI's response to Mr Z's complaint. It gives a lot of reasons why UKI declined the claim. And I think it was fair for UKI to explore these, and to decline the claim when they felt the answers Mr Z provided weren't satisfactory.

UKI received calls about Mr Z before and after he reported his car was stolen. The caller told UKI that Mr Z was likely to make a fraudulent claim for loss in relation to his car, before the GAP insurance he had in place ended.

I've thought carefully about these calls. They were anonymous. And they didn't just make an allegation about Mr Z. They gave specific details about his circumstances - for example, that he had GAP insurance in place and when that would expire. I can see why UKI would be concerned about this and would take what was said seriously. And I can see why they would have taken the calls into account when they decided to decline Mr Z's claim.

And UKI's decision to decline Mr Z's claim and cancel his policy was based on a number of reasons - which they identified after a detailed and thorough investigation of all the circumstances surrounding the reported theft. UKI gave Mr Z the opportunity to respond to what their investigators found – for example, the multiple fault codes found when the car's keys were examined. Mr Z didn't offer any alternative explanation for UKI to consider – so I don't think it was unreasonable for them to draw the conclusion they did.

So, I don't think it was unreasonable – putting all their concerns together – for UKI to decide the fraud condition of the policy had been breached. And, having reached that conclusion, they were entitled to decline his claim and cancel his policy.

I understand Mr Z's upset about the decision UKI made. But I'm satisfied the actions UKI took when looking into the claim were fair. And I don't think they should have done anything differently – or that they should have reached a different conclusion.

### **My final decision**

For the reasons I've given, I'm not upholding Mr Z's complaint about UK Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 27 August 2020.

Helen Stacey  
**Ombudsman**