

The complaint

Mr S complains that Calpe Insurance Company Limited didn't offer him a payment for his stolen car when he made a claim on his motor insurance policy.

What happened

Mr S bought the policy in May 2019 and reported the car stolen two months later. He says Calpe wouldn't honour the claim and demanded to see a finance agreement on the car, even though he'd made it clear from the outset that the car wasn't bought on finance. He thought Calpe's demands had led to a delay in processing the claim.

Calpe said there was no unreasonable delay on its part. It said it had contacted Mr S promptly and had asked for proof of purchase and proof of funds. It said that despite numerous further requests, it still didn't get the required details from Mr S, so it wasn't able to establish that he had an insurable interest in the car.

One of our investigators reviewed Mr S's complaint. She noted that Mr S's policy said policy holders were required to provide any relevant details and documents Calpe needed to validate a claim. Proof of purchase was one example listed in the policy of an item it might require. She noted that Mr S had said he paid for the car in cash with savings and money from winnings on bets, but that Calpe said it had seen no evidence of that.

Mr S told the investigator that he'd checked with two bookmakers, who both said they didn't keep any record of transactions unless they were made using a bank card. Mr S said he didn't use bank cards in his transactions, so he couldn't provide any further evidence. He asked for a review of his complaint by an ombudsman.

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.

Calpe accepted that the car wasn't on finance early on, so that wasn't the problem it had in validating the claim. Mr S told Calpe he bought the car from a private seller for £35,000. He said he'd sent the receipt he got from the seller to Calpe, along with other documents, and that he had a certificate of posting. Calpe received the other documents Mr S sent, but not the proof of purchase. I think it's possible Mr S left a document out of the envelope in error. But if that's the case, he could have resubmitted it to Calpe. It seems he hasn't done so.

Calpe also asked Mr S to provide proof of finance for the car. He said it was paid for in cash rather than on a card, but that he'd try to get evidence from bookmakers about transactions in which he'd been paid out for winning bets. I'm not sure that would have been enough – but Mr S wasn't able to get that evidence anyway. I think that means he's asking Calpe to take it entirely on trust that he paid for the car - and paid the sum for it he said he'd paid. Under the policy, Mr S had a duty to co-operate with Calpe and to provide any evidence it reasonably required. He did that to some extent by sending documents such as the V5 registration form to Calpe on request. But I think it was reasonable for Calpe to consider it

essential to establish that Mr S had an insurable (financial) interest in the car. As he wasn't able to do that, I think Calpe acted reasonably in not settling his claim.

I don't think there was any unreasonable delay on Calpe's part. It gave Mr S extra time to provide the details it needed to allow it to process his claim, which was for his benefit.

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 S to accept or reject my decision before 14 June 2021.

Susan Ewins
Ombudsman