

The complaint

Mr G complains Ageas Insurance Limited have refused to meet his claim under his motor insurance policy after his car was stolen.

Other companies such as Ageas' claims investigator, have been involved in this complaint, but as Ageas are responsible for these companies, I've just referred to Ageas in this decision.

A representative has also acted on Mr G's behalf at times during the claim, but again for simplicity, I'll just refer to him in this decision.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements below, and they form part of this final decision.

Mr G took out an agreed value motor insurance policy. Typically, these are taken out for classic cars – and pay out the pre-determined value (the “agreed value”) of the car. This differs from normal motor policies, where the market value at the time of a theft or total loss claim is what gets paid out.

Mr G's car was valued in March 2020 by an independent valuer at a price of £155,000. The car was unfortunately stolen on 17 December 2020. Mr G reported this to the Police and submitted his claim to Ageas the following day.

Since then, Mr G says Ageas have refused to pay out on his claim, providing unclear and incorrect information.

On 5 April 2021 Ageas issued their outcome to Mr G setting out their reasons for turning down Mr G's claim – and referring to their policy terms which allow them to do this.

Our Investigator looked into things and felt Ageas hadn't done enough to reasonably turn down the claim, so she upheld the complaint. She recommended Ageas pay the claim, and also pay Mr G £200 compensation for the distress he'd been caused.

Mr G accepted this, but Ageas didn't. They reiterated their concerns over the claim, and felt our Investigator was ruling whether the claim was genuine or not – which they think goes beyond our remit. So, the complaint's been passed to me to decide.

What I've provisionally 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 think it's important to explain I can't decide whether Mr G has made a fraudulent claim or not, only a court can do that. But what I can do is look at whether Ageas have enough to reasonably turn down Mr G's claim based on the evidence they've got.

I'd add up front, I think Ageas have done a very thorough job in investigating this claim of Mr G's – and given the value, I can see why.

So, given the very thorough job they've done, I'd expect to see a lot of evidence showing why Ageas would have concerns about Mr G's claim – and that evidence would reasonably lead them to conclude Mr G had submitted a fraudulent claim.

But, for reasons I'll go on to explain, I'm not satisfied they have enough evidence to reasonably turn down Mr G's claim under the conditions they have.

Those conditions Ageas have quoted are:

General conditions

1. We will provide the cover described in this insurance document only if:
 - Anyone making a claim has met all the conditions in this document: and
 - The information you gave on your proposal form or statement of insurance and declaration is, as far as you know, correct and complete
3. If you or anyone acting for you
 - Making a claim which you or they know is false, fraudulent or exaggerated, or
 - provide false or stolen documents to support a claim

we will not pay the claim and this insurance will end.

The reasons Ageas gave for turning down the claim are as follows:

- *In the first interview, Mr G said he'd bought the car for £25,000 - £20,000 transferred by bank transfer, £5,000 in cash. In the second and last interview, he said it was only the £20,000 bank transfer.*
- *Purchase had been arranged by someone else but Mr G couldn't say who he was apart from a friend. And Mr G didn't know the surname of this person, which Ageas felt was unusual given this person had driven Mr G to collect the car.*
- *Mr G hadn't seen the car before agreeing to buy it, which Ageas felt seemed unusual – all of which was arranged by this other person which they said was most unusual.*
- *They spoke to this other person, but he wasn't willing to provide any details such as his name, address, his business or any other background details – and they said this response raises further concerns.*
- *They said regarding the valuation, the photos don't correspond with the valuation report. They felt the quality of the paintwork and the interior condition don't reflect a car that is in Concours condition, as set out in the valuation. They added there is no evidence in terms of parts invoices, for any work done on the car post purchase.*
- *Using the same valuer as in Mr G's previous theft claim raises further issues for them – the first being they can't find this company searching online, but that's how Mr G said they found them.*
- *Mr G claims to have paid £300 in cash for the report before he received it, therefore there isn't any evidence of the report. They said paying for a report like this in cash, before receiving the report, is of concern and most unusual.*
- *Ageas weren't able to find their address or any evidence of their business, and they weren't engaging with them.*

- The valuer's website is merely a shell without any photos of vehicles they've valued or feedback from customers – and the images on the website are stock photos.
- The only record they have of these valuers is in three cases – all of which have been theft claims, this one of Mr G's, his previous one, and another unconnected individual, which Ageas say were stolen in almost identical circumstances.
- Having discussed this valuation company with the broker, who I'll call F, which specialise in these types of cars, said they'd never heard of them.
- They've spoken to the website designer, who said he was paid to set up a website in 2016. Ageas say he was paid five years hosting fees upfront which appears unusual, he says he can't remember who asked him to set up the website and refuses to engage with their enquiries.
- Ageas also drew some similarities between this claim of Mr G's, and the other unconnected individual's claim – saying the thefts occurred in the same area, same type of car, and has similarities about what the policyholder's thought had happened to the cars.

They finished by saying these similarities appear to be more than mere coincidence – and added to their concerns about the validity of the claim.

This is quite a lot of information to have gathered, but what I'm not seeing is a lot of information where Mr G has done something wrong, provided incorrect information, or refused to co-operate with Ageas' claims handler. I'm aware Mr G disputes a lot of information above, and I'll touch on that as needed.

Starting at the beginning, I've seen enough evidence for me to be satisfied that:

- Mr G bought the car for £20,000 by bank transfer in December 2019.
- He travelled up with this other party to collect the car.
- When taking possession of the car, Mr G also took possession of a number of spare parts the owner had, but hadn't restored the car (invoices have been provided by the other party for the purchase of these parts, and Mr G's invoice when buying the car shows "spare parts" listed as well).
- After taking ownership of the car, Mr G restored the car as that's something he's capable of doing – I've seen photos of the car being restored, so I don't doubt this.
- After restoring the car, Mr G applied to the relevant Government authority to inspect his car due to the type of car it was – which was booked in for February 2020 and I've seen a copy of this report.
- In February 2020, Mr G applied to F – a specialist broker in the field of classic cars and agreed value policies, to insure his car.
- Early March 2020, Mr G pays his first premium to F – this was for an agreed value for his car of £120,000, but the valuation report hadn't been received at this time.
- The valuation was then completed on 20 March 2020 and gave a value for the car of £155,000 – the valuation provided photos and comments.
- This was accepted by F, who placed their business with Ageas, in April 2020.

So, up to this point, I'm satisfied there is sufficient evidence to explain Mr G did buy a car, for £20,000 by bank transfer, restored it and got it valued.

I've noted Ageas' concerns about how much Mr G paid for the car – whether it was £20,000, or £25,000. But it sounds like he buys and sells cars fairly regularly, which I think Ageas would accept is likely given what's known about Mr G. And, he's said in response to Ageas' concerns, he forgot whether he had or hadn't paid the £5,000. I don't find that particularly

unusual, given this is something Mr G does quite regularly, and the purchase of the car was over a year earlier at the point of answering Ageas' questions.

I do appreciate the arrangement to buy the car without seeing it in the normal order of things is unusual, but Mr G is clearly someone with a lot of knowledge about this kind of market – and it would appear saw an opportunity to buy something that'd end up having a lot of value. Mr G has said this other party had access to a trailer, which given the state the car was in, again makes sense. The car wasn't in a driveable condition and needed to be restored.

I've noted Ageas have said the other party wasn't willing to engage with them. I'm not sure that's necessarily true – the other party did speak to Ageas and answered a number of questions. But, from the transcript, it seems when Ageas started to ask for personal data, they didn't want to provide that.

Similarly, I see the same when it comes to the valuation company. Ageas have said they weren't engaging with them either. I can't agree with that. Again, the transcripts I've seen has shown they were co-operating and providing information. I appreciate there came a time when they stopped engaging – and their reasons for doing so appear quite implausible. But, on both of these points, I'm not sure how it's Mr G's responsibility the other party and the valuation company provided some information but drew a line in the sand.

Nor do I think it'd be fair to hold Mr G responsible for the contents of the valuation report. He's got this from a company he used before, which was accepted by the broker seemingly without question. If F, or Ageas, had concerns over the valuation amount offered at the time then I'd expect that to have been raised before they accepted his car for cover. In effect, by accepting the risk, they've accepted the information provided presented an acceptable risk. It feels unfair to now say the valuation report doesn't stack up – especially on something as basic as the comments in the report don't match the photos seen – after a claim has been made. This is an agreed value policy, I don't think it'd be unreasonable for Ageas to have undertaken more due diligence, if they wished to, when the policy is being incepted. Though, again, I'm unsure how this proves Mr G has in some way acted inappropriately. Beyond using a company he'd used before to provide a valuation, which was deemed acceptable previously, I've not been provided with anything to suggest Mr G did anything wrong.

Similarly, I can't say I'm persuaded by Ageas' concerns about how the report was paid for. Mr G said he's used them before, and I can't say I find it particularly unusual some companies might ask for the money to be paid to them before delivering on the overall outcome. People regularly pay for goods or services on the promise those goods or services will be delivered.

Ageas have also raised concerns over the website, lack of information regarding the valuation company, similar claims – and that the broker F hadn't heard of them.

Again, I'm unclear how any of these points are proving Mr G hasn't submitted a clear and valid claim.

Those are Ageas' points, but looking at the circumstances what I can also see is that:

- *The car was stolen on 17 December 2020*
- *Mr G has provided a clear and plausible explanation for why his car was where it was on the day of the theft*
- *Mr G reported the theft to the Police on the same day – and has provided evidence of this*
- *Mr G still has the two keys for his car*

- *There was quite a long period between Mr G putting his car on cover, and it being stolen*
- *Mr G has answered all questions Ageas have asked and provided a significant amount of information on all occasions. Where he doesn't agree with Ageas points, he's explained his thoughts in detail and gone back to Ageas on those points.*

In essence, focusing solely on the issues within Mr G's control, they're turning down Mr G's claim because he said he paid an extra £5,000 in cash when he actually didn't (which I understand he clarified himself), he travelled to collect the car with someone whose surname he didn't know – and he'd not seen the car before buying it.

Set against that, is the clear evidence Mr G did buy the car, restored it, got it inspected by the relevant Government agency, insured it, reported the theft the same day, answered Ageas' enquiries, and hasn't, as far as I can see, acted evasively or in any way been uncooperative.

Given this, I'm not satisfied Ageas have demonstrated they've acted fairly in turning down the claim – so I'll be requiring them to pay it. As they should have paid the claim when it was made, I also require them to add 8% interest from the date the claim was made to the date of settlement as Mr G has been deprived of the claim settlement when he shouldn't have been.

I've noted our Investigator recommended £200 compensation. But, on reflection I don't think this goes far enough. Not paying out any claim when it should be isn't fair, but implying Mr G has acted fraudulently, without enough evidence to support it, really isn't fair. So, I think paying Mr G compensation of £500 would be fairer.

Responses to my provisional decision

Mr G said he agreed with the decision and had nothing further to add.

Ageas initially replied, and said they'd noted I explained I can't decide if the claim is fraudulent, but then said that's exactly what my review then goes on to do. They asked for my comments on this.

I asked our Investigator to back to Ageas with my thoughts as follows on 18 March 2022:

I've noted Ageas' comment that I'm effectively deciding whether Mr G submitted a fraudulent claim. But, I just wanted to emphasise I'm not. All I'm deciding is whether they have enough evidence to fairly say Mr G has submitted a fraudulent claim – and as per my findings I don't think they have.

Similar to a liability decision. Our service can decide whether an insurer has reached the decision to hold someone liable fairly but can't decide liability itself.

If Ageas wish to provide further information for me to consider before the deadline then they should do so.

Following this no further reply was received from Ageas.

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 G accepted the outcome I reached, and although Ageas didn't agree with my decision, they've not provided anything further for me to consider.

Due to that, I remain of the opinion I don't think Ageas have shown they acted fairly when turning down the claim – so they'll need to take the actions I've set out below.

Putting things right

I require Ageas to:

- Pay Mr G's claim, subject to any policy excesses or other deductions that'd usually be applied
- Pay 8% interest* from the date of the claim, to the date of settlement
- Pay Mr G £500 compensation

*HM Revenue and Customs requires Ageas to deduct tax from the interest payment referred to above. Ageas must give Mr G a certificate showing how much tax they've deducted if he asks them for one.

My final decision

For the reasons I've explained above I uphold this complaint and require Ageas Insurance Limited to carry out the actions in the "Putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 May 2022.

Jon Pearce
Ombudsman