

## **The complaint**

Mr S complains Calpe Insurance Company Limited declined his motor insurance claim.

## **What happened**

Mr S had a car insurance policy with Calpe, and he made a claim when his car was stolen. Calpe said a third party reported that the car had been involved in an accident around the same time. But Mr S said he had no knowledge of the accident. He said he parked his car at his mother's house the night before the accident occurred, and stayed at his girlfriend's home before they went on holiday abroad. He also stated he didn't know his car had been stolen until the morning after he returned from his holiday and reported it to the police.

Calpe declined the claim because it thought Mr S had given false or misleading information. It said the police charged Mr S for failing to stop at the scene of the accident and for failing to report it within 24 hours. It also said the police had confirmed that no theft report was available.

Mr S provided evidence he was found not guilty of the charges. However, Calpe still declined his claim. It doesn't think the outcome of the case changes things. It said:

- Mr S lied when he said he wasn't in the country when the accident happened.
- Mr S didn't report the theft/accident to it.
- He didn't attend his first interview with its claims investigators.
- He was 30 minutes late for the following interview and wouldn't allow them into the home.
- His friend made a nuisance of himself to interrupt the flow of the interview.

Our investigator didn't think Calpe had carried out a full investigation into Mr S' claim that gave it fair and reasonable grounds to refuse it. He thought Calpe had relied on the fact Mr S was in the country at the time of the incident, and the appointed investigator's interview was disrupted. He thought its appointed investigators made several recommendations for further investigation, but they weren't carried out. Our investigator thought Calpe should reconsider the claim, and if it's paid, it should pay 8% simple interest on the settlement figure. It should also pay £100 compensation to Mr S.

Calpe didn't agree and said:

- Mr S didn't give a full statement during the first notification of loss call, he didn't like the line of questioning, was stalling and muffling, and the call ended abruptly.
- He was asked when the car was stolen but didn't respond to the question. He was also asked if his mother noticed the car missing and he said no as it was parked in the rear of the property. However, it was parked in allocated parking.
- The interviewer didn't obtain a full statement and felt intimidated.

Our investigator didn't think this information changed things. As there was no further communication from Calpe, the complaint has been passed to me to decide.

I issued my provisional decision on 21 June 2022 in which I said:

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*The terms and conditions of Mr S's policy says Calpe will provide cover against loss or damage, caused by theft and in the case of an accident. Whether or not the car was stolen, it's not disputed that it was damaged in the accident and has been deemed a total loss, so I'm satisfied an insurable event has taken place and a claim could be made. However, it doesn't automatically follow that the claim should be paid. That will depend on the other terms and conditions of the policy. And any exclusions that may apply.*

*Calpe has given several reasons for declining the claim. Ultimately, it thinks Mr S gave false or misleading information regarding the theft and the accident. So, I've thought about whether it's carried out a fair investigation, reviewed all the evidence available to it and reached a reasonable decision.*

#### *Mr S's statement*

*I accept the information Mr S provided shows he travelled two days after the accident happened. However, I haven't seen evidence he said he was abroad at the time. I've listened to the phone call where Mr S first notifies Calpe of the theft. The call handler asked if he was out of the country on the date of the accident. He responds and says "No, I said I just got back off of holiday". He also clarifies several times during the call that he returned from his holiday and found the car was missing. I don't think his response answers the question asked, but I don't find Mr S gave false or misleading information.*

*In his statement, Mr S confirmed he had no knowledge of the accident and didn't use the car on the day it happened. He explained he parked the car at his mother's address the night before, and he stayed at his girlfriend's home until they travelled abroad. I don't think that's an unreasonable explanation and I haven't seen anything that suggests it was untrue.*

*I also find the investigator's report supports what Mr S said. This is because, it shows the location of the parking and indicates it is at the rear of the property as he said. So, I don't think it unreasonable his mother wouldn't have noticed the car was missing.*

*I accept a full theft statement wasn't obtained during the initial phone call. There seemed to be some disturbance throughout the conversation before the call disconnects. Having listen to the phone call, I don't think Mr S was unwilling to give a statement or to answer the questions he was asked by Calpe.*

*Its investigators said they weren't able to get a full statement as the interview was cut short by Mr S. It's not clear what further questions they had for Mr S, but looking at his statements and what Mr S told us, I'm satisfied he has given a consistent account. Its investigators were still able to reach a conclusion and give their expert opinion from the conversation they had with Mr S. So, I don't think its reason enough to decline his claim. Calpe could have arranged another interview if it still had further questions it wanted answers to.*

*Calpe says its investigators were intimidated during the interview; however, they confirmed the actions of Mr S's friend at the time did not ruin the interview. Overall, I don't think Calpe has shown inconsistencies in Mr S statement during the initial phone call or in his interview*

*with the investigator. Nor has it proven he provided false or misleading information about the accident or the theft.*

*I also don't think it's fair for Calpe to decline the claim on the basis that the accident or theft weren't reported to it. Based on Mr S statement, he wouldn't have known his car was missing until he returned from his trip. And wouldn't have been aware of the accident his car was in while he was away from his home.*

### *The investigation*

*I've also thought about whether Calpe carried out a fair investigation into the claim and I don't think it did. I find it could have done more of an investigation to ensure its decision was fair.*

*Its appointed investigators had concerns about Mr S's theft claim. However, in their report they recommended it carry out further investigations into the validity of the claim. The investigators suggested Calpe perform a forensic analysis of Mr S's keys, but it didn't do so.*

*Furthermore, Mr S's car was recovered from the accident, an engineer examined it and deemed it a total loss. Their report doesn't comment on the theft aspect of the claim and makes no mention of theft related damage. I understand the assessment was carried out before Mr S made his claim, but as Calpe had access to the car, they could've arranged a further assessment in relation to the theft.*

*Calpe initially declined the claim as Mr S had been charged with failing to give information regarding who was driving the car at the time of the accident. However, Mr S has since been found not guilty. Calpe also said Mr S did not report the theft to the police, but I can see the appointed investigators confirmed Mr S had reported the claim and provided a log number. Once it was aware of this, I think it had a further opportunity to investigate the claim. Ultimately, I'm not satisfied it carried out a thorough investigation, and I don't think it's provided enough evidence to support its position. So, I don't find its decision to decline the claim was fair or reasonable.*

*As such, I intend to require it to settle the claim. If in doing so, a settlement is paid directly to Mr S, it should pay 8% simple interest per year on this figure from 7 September 2020, the date it declined the claim until payment is made. It should remove any markers relating to the declined claim from any internal or external databases. It should also provide Mr S with a letter to explain this. Mr S confirmed he hasn't replaced his car or taken out new insurance. I think Calpe's actions will have caused much inconvenience to Mr S, so it should also pay £250 in compensation for the trouble he was caused.*

### **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.*

*As Mr S accepted my provisional decision and Calpe hasn't provided any additional comments for me to consider, I see no reason to depart from what I've said.*

### **Putting things right**

*I require Calpe to settle the claim. If in doing so, a settlement is paid directly to Mr S, it should pay 8% simple interest per year on this figure from 7 September 2020, the date it declined the claim until payment is made. It should remove any markers relating to the declined claim from any internal or external databases and provide Mr S with a letter to*

explain this was done in error. It should also pay Mr S £250 in compensation for the trouble he was caused.

### **My final decision**

My final decision is that uphold this complaint and require Calpe Insurance Company Limited to:

- Settle the claim,
- if a payment is made directly to Mr S, it should pay 8% simple interest on this amount from the date the claim was declined until payment is made\*.
- Remove any markers include fraud markers relating to the declined claim from any internal or external databases.
- Pay £250 compensation to Mr S.

\*If Calpe Insurance Company Limited considers that it's required by HM Revenue & Customs to take off income tax from the interest, it should tell Mr S how much it's taken off. It should also give him a certificate showing this if he asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 August 2022.

Oluwatobi Balogun  
**Ombudsman**