

The complaint

Mr B has complained about his car insurer Skyfire Insurance Company Limited because it has declined his claim for his stolen car.

What happened

Mr B found his car was missing on 12 January 2021. When he spoke to Skyfire he told it he had last used the car on a round trip of about a mile on the night of 11 January 2021, before parking up on his drive at 22.45. He said his father had seen the car, still on the drive, around 03.00. But the next day it was gone. Mr B sent his registration document to Skyfire along with the key he had for the car.

In May 2021 Mr B knew Skyfire had some concerns about the claim and was still considering it. He heard nothing more until September 2021. At that time Skyfire wrote to Mr B. It said there were discrepancies on the claim (which it had discussed with Mr B) and this meant it couldn't settle the claim. It confirmed it had marked the claim as notification only and backdated the policy cancellation, effected by Mr B in May 2021, to the loss date, also providing a refund of premiums. Skyfire accepted that it had provided poor service to Mr B between May and September 2021 and offered £75 compensation. Mr B complained to us.

Our investigator asked Mr B if he could explain the discrepancy that concerned Skyfire. Mr B could not. Mr B said he was honest and there was no reason for Skyfire to decline his claim.

Our Investigator considered the technical evidence Skyfire had received about Mr B's key. He felt this, set against the report of the theft put forwards by Mr B, gave Skyfire good reason to be concerned about the claim. He felt Skyfire had acted fairly and reasonably.

Mr B remained unhappy. He detailed what had happened again, what he had lost, and why he felt Skyfire should accept the claim. He also said that one of Skyfire's investigators had made "racist and mocking remarks" to him. His complaint was passed for an Ombudsman's consideration.

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 so, and with regret for the upset I know this will cause Mr B, I think Skyfire has acted fairly and reasonably on this occasion. I've explained my views on this below.

A policyholder, when making a claim, only has to show, on the face of it, that something has happened that might be covered by the policy. Here Mr B did that as he reported that his car was missing and he reported the same to the Police. But that didn't mean Skyfire then had to accept that and settle the claim.

Rather the ball, so to speak, then passed to Skyfire. And it was up to Skyfire to validate the claim and if, it wanted to, show that it was not liable for it for some reason. That might have

been due to a breach in policy terms. Or could even just be by it showing that the theft, as reported, couldn't have happened in that way. If Skyfire shows that the theft hadn't happened as reported then that means that Mr B hasn't shown that 'on the face of it' he has a claim.

Mr B told Skyfire that he last drove the car for a distance of about a mile and parked on the drive before 11pm. Also that he had the key that he later gave Skyfire in his possession and he didn't use the key or the car again. But Skyfire was able to retrieve data from the key. This showed that the time and date of the car was re-set and the car then drove eight miles around midnight on 12 January 2021 – after Mr B said he used it for the last time. Mr B wasn't able to explain the time and date reset – so seemingly he had not done that himself before or when parking up. And his last journey on 11 January 2021 was only a mile. I know Mr B thinks this evidences that thieves used the coding of his key to steal the car – but a theft like that wouldn't explain how the key Mr B had with him at home recorded an eight mile journey. So far as I'm aware the key would have had to have had detail sent back to it from the car once the eight miles had been completed. And I'm not sure that generally happens as part of a relay theft, or that it could have happened here, where the car and the key seem to have ended up far apart.

I know Mr B is frustrated as he has said he is making an honest claim and he doesn't have an answer for how or why his key showed what it did. I can understand that frustration. But I can't ignore the key report which has been completed by a key expert. And, having considered that, I can see, from Skyfire's point of view, that it is unlikely that the theft occurred in the way reported. I think it was reasonable, on this occasion, for Skyfire to feel that the discrepancy meant it could fairly decline the claim.

I think Skyfire could have reached its decision more quickly, keeping Mr B up to date in the meantime. However, a decision like this can have severe consequences for a policyholder so I can understand that Skyfire took a while to consider things. I note it has accepted it should have acted sooner, and or kept Mr B up to date. It's offered £75 for the upset it has caused. I think that's fair and reasonable in the circumstances.

I can see that Mr B would be concerned if he was spoken to improperly by one of Skyfire's investigators. But this complaint is not recorded on Skyfire's file and the final response issued in respect of the complaint Mr B had made about delays considered poor service in respect of limited communication, not inappropriate comments. Also Mr B did not detail on his complaint form to the Financial Ombudsman that this had happened and he was unhappy about it. So that all means that I can't consider that concern of Mr B's as part of this complaint. If Mr B is still unhappy about it, which I'd understand, he can complain to Skyfire and give it a chance to investigate the concern before responding to it.

My final decision

I don't uphold this complaint. I don't make any award against Skyfire Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 September 2022.

Fiona Robinson
Ombudsman