

## **The complaint**

Mr S has complained about his car insurer Liverpool Victoria Insurance Company Limited (LV) because it declined his claim made when his car was stolen.

## **What happened**

Mr S advertised his car for sale on-line, prospective buyers came and viewed the car. The day after some buyers had visited Mr S's home, Mr S found the car was missing. Mr S notified LV and the police. The police advised there was a tracker fitted to the car so Mr S paid to activate it. The car was found but had suffered some damage.

LV told Mr S it was declining his claim. It said his story had changed, there were discrepancies, so it couldn't validate the loss. It later told this service it was thinking the policy term regarding leaving keys in or around the car might apply. Mr S said he had given honest accounts to LV which reflected what he believed to be the truth at each stage. He said he wanted LV to cover the damage to the car which its engineer had put at £8,664.22, and other losses he said he'd incurred. LV wasn't minded to change its view on the claim so Mr S complained to this service.

Our investigator felt that LV had not shown good reason to decline the claim. She felt it should pay the claim and cover any losses Mr S could show he'd incurred. She said LV should pay £200 compensation.

Mr S indicated he was satisfied with the suggested outcome. LV said it had concerns; that Mr S's changing story had prevented it from being able to validate the loss. Our investigator replied to LV but LV's position didn't change and it asked 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.

A policyholder, initially, only has to show, on the face of it, that an event, covered by the policy occurred. It is then up to the insurer to either settle the claim or decline it. To decline it (and where no greater issues with the cover itself exist) an insurer would usually either need to rely on an exclusion to cover, or a breach of a policy term. Or show that the event most likely didn't happen in the way reported. Doing the latter would often result in a situation where the policyholder then had not shown that 'on the face of it' they had a valid claim. Rarely will this service find that an insurer, merely setting out either one, or a few, or even a list of discrepancies, will have done enough to decline liability for a claim.

Here I don't think LV has shown that there are really discrepancies or changes in Mr S's story. Mr S's account of the events running up to theft has evolved, that is true. But not in any way that I would think is alarming or likely means Mr S was less than truthful with LV in the accounts he gave. I know LV is concerned that Mr S may have contrived the circumstances whereupon he came to understand the spare key was in fact a dummy key. In some cases, I might have found LV's view of something like that reasonable. But having

noted LV's view on this and considered Mr S's account, I don't think there is anything concerning. I think it sounds natural and plausible that the spare key was to hand that day for Mr S to pick up and use it, thereby noticing it did not work for the car.

I'm also aware that LV seems to doubt that the thieves were most likely those in Mr S's home on the pretence of buying the car. And that LV feels they wouldn't have had chance to swap the spare key if Mr S had been careful and paying attention as he has reported. But I'm not persuaded that is a reasonable view from LV. I think there are professional thieves out there who look for high value cars for sale and go to view them with the intent to steal them. I don't know that is what happened here. But it simply goes to show that LV's view of this situation does not satisfy me, on a removed and impartial consideration, that its most likely the theft did not happen in that way and that it is instead most likely it was caused by or due to some failure, or worse – some lie, of Mr S's.

So LV hasn't satisfied that Mr S doesn't, on the face of it, have a valid claim. And it hasn't shown that an exclusion or term exists which fairly and reasonably defeats its liability for the claim. And LV's engineer has assessed the car and detailed the theft damage that requires repair. So the only route left is for LV to settle the claim in line with the remaining policy terms and conditions. Whether it repairs the car or chooses to pay for that to be done, it will have to bear in mind that the cost for the work identified will now likely have increased as the engineer's report is dated February 2020. And as is usually the case with complaints made to this service where an unreasonable decline has occurred, it will have to cover any losses incurred by Mr S too; either covered by the policy or which were reasonably incurred due to its unfair decline.

I think the situation has caused Mr S some distress and inconvenience. But I bear in mind that he has, since gaining the car back from the police shortly after the theft, mostly had access to the car and been able to drive it. I'm satisfied that £200 compensation is fairly and reasonably due.

### **Putting things right**

I require LV to:

- Settle Mr S's claim under the policy for theft, in line with the remaining terms and conditions of the policy.
- Reimburse his costs incurred as covered by the policy or caused due to its unfair decline of the claim.
- Pay Mr S £200 compensation for distress and inconvenience caused.

### **My final decision**

I uphold this complaint. I require Liverpool Victoria Insurance Company Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 September 2022.

Fiona Robinson  
**Ombudsman**