

The complaint

Mr A complains that The Equine and Livestock Insurance Company Limited declined his claim on his caravan insurance policy after his caravan was stolen.

What happened

Mr A stored his caravan at a haulage yard which he thought was secure. When his caravan was stolen, he made a claim on his policy for the loss of the caravan and a TV inside it. This was declined by Equine and Livestock. It said the storage site wasn't secure as it had been accessed by an open gate and there was no sign of a break-in. It said the TV hadn't been itemised on the contents list. Mr A was unhappy with this and referred his complaint to our service. He said the site was secure and the gate locked at the time of the theft.

Our Investigator recommended that the complaint should be upheld in part. She thought the security clause had been sufficiently drawn to Mr A's attention when he took out his policy. She thought Equine and Livestock's loss assessor had confirmed that the site was secure. And she thought a police report, made before the loss assessor's, was more persuasive that there had been forced entry into the site.

So she thought Equine and Livestock had unfairly declined the claim. But she thought Mr A hadn't declared the TV on his contents list as he should have done. So she thought Equine and Livestock had fairly declined to cover this. She recommended that Equine and Livestock reconsider the claim for the loss of the caravan and pay Mr A £50 compensation for his trouble and upset.

Equine and Livestock replied that there was no evidence of damage to the lock on the gate. It asked for the complaint to be reviewed by an Ombudsman, so it's come to me for a final decision.

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.

Equine and Livestock declined the claim because it said the storage site didn't meet the security requirements as set out in its policy. Specifically, it said the site gate was left open at the time of the theft. Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

I can see that the Insurance Product Information Document (IPID) states that the storage site must meet Equine and Livestock's security requirements. These are set out in the policy booklet in Appendix 1 where it explains that if the storage location is not approved by CaSSOA then it must be:

“securely locked area surrounded by a man made structure made of posts of timber, concrete or metal connected by wire netting, rails or boards”

I think this is a reasonably clear condition stated in the policy. And I think it was sufficiently drawn to Mr A's attention in his policy documents. And so I think it's fair and reasonable for Equine and Livestock to rely upon it.

So I've considered whether it was fair and reasonable for Equine and Livestock to say that Mr A hadn't met the condition. The storage site wasn't CaSSOA approved. But the loss assessor stated that:

"The Yard itself is secure when the metal gate is locked, access with a vehicle is only through the metal gate and the perimeter is secure by a combination of a metal fence and walls so you could not get out other than through the gate."

The police attended the site following the report of the theft. They said the site was a secure storage yard. So I'm satisfied that the storage site complied with Equine and Livestock's security requirements when the gate was locked. So I now need to decide whether there's evidence that the gate was locked or not at the time of the theft.

The site owner was able to provide CCTV footage of the site taken on the day of the theft. This was identified as a Sunday afternoon. Mr A thought this meant that the site would have been closed and locked up and so the thieves must have broken into it.

But the loss assessor said he had been told that the site was a seven days a week business. And he said the gate was left open on occasions for access to the site. The gate was open when he visited, though I think this was because he was expected. So he thought the gate must have been open at the time of the theft.

The loss assessor concluded:

"In our opinion there is ample security compared to some sites we visit with a metal fence and wall around the perimeter, the security has been compromised by the gate being left open which has allowed access to the thieves."

Mr A said the site was manned during working hours. But Equine and Livestock noted that no one saw the theft take place and there was no evidence of forcible entry. The loss assessor met with the site owner and I can't see that he said there had been any damage done to the gate or lock. But this was about six weeks after the theft, and I can't see that the loss assessor asked the site owner directly about this.

The police pointed out that there was a scaffold pole lying on the ground that could have been used to break into the site. No damage to the gate's lock was mentioned in their report. But neither did they refer to the damage reported to the security devices attached to the caravan. These were still evident when the loss assessor visited.

The fact that the police pointed out that the scaffold pole could have been used to gain entry implies that they saw evidence of forced entry. The police report further states that the thieves "broke into the secure storage".

Equine and Livestock pointed out that a photograph showed the gate's catch hadn't been damaged. But this was taken six weeks after the theft. So I can't say that this is conclusive evidence that the gate hadn't been locked. And I think Equine and Livestock have unfairly disregarded the police report's statement that there had been a break in.

So I think Equine and Livestock unfairly and unreasonably declined the claim because I don't think it's shown that Mr A hadn't met his policy's security requirements. And I think it should now consider his claim.

Mr A was also unhappy that the loss of his TV was also declined. He said he hadn't been asked to declare it when he took out his policy. But I've seen the online journey he made at that time. And I can see that he was asked to list such items, but he didn't do so. So I think it's fair and reasonable for Equine and Livestock to decline his claim for the loss of his TV.

Our Investigator thought Equine and Livestock should pay Mr A £50 compensation for the trouble and upset caused by it unfairly declining his claim and not reasonably considering the police report. I think that's fair and reasonable as it's in keeping with our published guidance.

Putting things right

I require The Equine and Livestock Insurance Company Limited to do the following:

1. Reconsider Mr A's claim for the loss of his caravan under the remaining terms and conditions of his policy, without applying the security exclusion due to the storage site.
2. Pay Mr A £50 compensation for the distress and inconvenience caused by its handling of his claim.

My final decision

My final decision is that I uphold this complaint in part. I require The Equine and Livestock Insurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 December 2022.

Phillip Berechree
Ombudsman