

The complaint

Mr F complains that Highway Insurance Company Limited mishandled his claim on his motorhome insurance policy.

Where I refer to Highway, I refer to the above-named insurance company and I include employees and others insofar as I hold Highway responsible for their acts or omissions.

What happened

The subject matter of the claim and the complaint is a motorhome.

In about March 2019, Mr F acquired the motorhome. He had a telephone call with a broker. Mr F insured the motorhome for a year. Highway was the insurer responsible for dealing with any claim. Mr F renewed the policy in March 2020 and again in March 2021.

On 21 September 2021, Mr F reported that someone had stolen the motorhome.

In late November 2021, Highway's investigator interviewed Mr F and did a report. That included Mr F's statement that he had left a spare key hidden in a wardrobe inside the vehicle. Highway declined the claim. Mr F complained to Highway about that.

By a final response dated mid-January 2022, Highway turned down the complaint. Highway said that its policy excluded the claim as a spare key had been left in the vehicle.

Mr F brought his complaint to us in February 2022.

Our investigator recommended that the complaint should be upheld. She thought that Highway had declined the claim based on the policy exclusion, without a proper investigation. So she didn't think that it had declined the claim fairly. She recommended that Highway should:

1. settle the claim; and
2. pay 8% simple interest for the time Mr F has been without payment; and
3. pay Mr F a further £500.00 in compensation for distress and inconvenience.

Highway disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says, in summary, that:

- The exclusion clause is common in most if not all motor policies, motorhome included.
- Without the call being available any more from the broker, it can't say what was and wasn't advised.
- It would be Mr F's responsibility to read the policy terms and conditions.
- Its investigator's report included the following:

“There was however no evidence that the security of the [motorhome] had been compromised and it is not therefore known if this key was used to facilitate the alleged theft.”

- Its investigator couldn't say how the vehicle was stolen.
- It can't say if the key in the motorhome was used to steal the vehicle, however nor can this be ruled out. For a vehicle of that size to be taken, with no evidence of forced entry (i.e. broken glass) and also when Mr F has advised it wouldn't start, is unusual.

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.

From what Mr F has told us, he and his wife sold their home and bought the motorhome in early 2019.

Highway has sent us a policy booklet with a reference that I think shows a date in May 2018. It contains an exclusion as follows:

“What is not covered

...

Loss or damage caused by failure to protect the insured vehicle, (see ‘Care of the Vehicle’ under the general conditions), or if it has been left unlocked and/or with the keys, lock transmitter, entry card or other ignition control device left in, on or in the immediate proximity of the vehicle.”

Highway says that its exclusion is common in motor policies. But Highway's policy term excludes a claim where the vehicle *“has been left unlocked and/or with the keys...left in...the vehicle”*. I consider that the *“and/or”* meant that leaving the vehicle unlocked and leaving the keys in it were two alternative exclusions. I consider that this was a significant policy term.

Highway has also sent us the Insurance Product Information Document (“IPID”). That summarised the policy terms including as follows:

“what is not insured”

...

theft if you leave your vehicle unlocked, with a window or sun roof open, with vehicle keys or other ignition device in, on or in the immediate proximity of the vehicle”

Whilst the IPID contained repetition of the word *“or”*, it didn't use that word to say that leaving the vehicle unlocked and leaving the keys in it were two alternative exclusions. So I'm not satisfied that Highway did enough in 2019 to draw to Mr F's attention that the policy didn't cover theft if he locked the vehicle but left a key in the back.

It may or may not be relevant background that the motorhome was at an accident repair centre for most of August 2021.

I have no reason to doubt Mr F's statement that on 20 September 2021, he parked the motorhome on a side street. And that evening, Mr F found that the key fob wouldn't work, so he used a key to get into the motorhome, but the key wouldn't start the vehicle. So he locked it and left it on the street for the night.

I have no reason to doubt Mr F's statement that the motorhome had been parked in a position inaccessible to any recovery vehicle. Yet on 21 September 2021, there was no broken glass or debris on the street, but the motorhome had gone.

So Mr F suspected some wrongdoing at the accident repair centre, leading to the immobilisation and theft of the motorhome. Mr F and Highway mentioned this to local police but received no information from them.

So Highway instructed its investigator. The investigator expressed no concern about Mr F's evidence.

The investigator recommended that Highway should get the police report. But I'm not persuaded that the police had done any investigation, so I don't think their report would've shed much light on what had happened.

The investigator also recommended that an expert should examine the key Mr F still had. I don't think Highway accepted that recommendation. Instead, Highway declined the claim on the ground that Mr F had left the spare key in the vehicle.

I don't consider that was fair for the following reasons:

- I'm not satisfied that Highway did enough in 2019 to draw to Mr F's attention that the policy didn't cover theft if he locked the vehicle but left a key in the back.
- There's not enough evidence that the presence of the spare key made it possible or made it easier for someone to steal the motorhome.

The theft and the need to make a claim were bound to cause distress and inconvenience. But I conclude that Highway should've paid Mr F's claim in 2021.

Its failure to pay the claim left Mr F without the money to replace the motorhome as a means of transport and as a mobile home.

Mrs F wasn't covered by the policy. So I can't consider the impact on her. But I find it fair to say that Mr F suffered distress and inconvenience including sharing what she suffered. Highway didn't try to put things right – even after our investigator's recommendation. So the distress and inconvenience has gone on for about a year.

Putting things right

I find it fair and reasonable to direct Highway to pay the claim subject to the policy terms save any terms relating to keys left in the vehicle.

As Mr F has been out of pocket since he made the claim, I find it fair and reasonable to direct Highway to add interest at our usual rate.

I find it fair and reasonable to direct Highway to pay Mr F £500.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I direct Highway Insurance Company Limited to:

1. pay Mr F's claim in line with the policy terms save any terms relating to keys left in the vehicle; and

2. pay Mr F simple interest at a yearly rate of 8% on any sum it pays him in settlement of his claim. if Highway considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr F how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
3. pay Mr F £500.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 22 December 2022.

Christopher Gilbert

Ombudsman