

The complaint

Mr T complains that Chubb European Group SE declined his claims on his motor insurance policy following the theft of his two cars. He wants his claim reviewed and compensation for his stress.

What happened

Thieves broke into Mr T's house and stole his cars' keys, fobs and the remote for his gate. They then stole his two cars. Chubb declined the claims as it said the cars didn't have the correct activated anti-theft tracking systems that were required by the policy. It said if these had been activated, then the chances of locating and recovering the cars would have increased.

Our Investigator recommended that the complaint should be upheld in part. She said Mr T hadn't complied with the policy endorsements. She thought it was unlikely if he had done that this would have prevented a theft. But she thought if the required tracking devices had been fitted and activated then the cars could have been more easily located and recovered.

She thought Chubb had reasonably offered, as a gesture of goodwill, to rewrite the policy for the lesser valued car without the endorsement. It said that it would cover the loss if Mr T paid an additional premium. But it wouldn't cover the loss of the other car.

Mr T accepted the offer for one car, but still wanted the claim for the other car to be paid. He said his garage had fitted the tracker it thought was required by his insurance. He said the policy endorsement was too complicated for a layman to understand. Mr T asked for an Ombudsman's review. So the complaint has 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.

Mr T has accepted Chubb's offer of a settlement for one car as a goodwill gesture in return for an additional premium. I think that's fair and reasonable in the circumstances. So I won't consider that particular claim further here. But I will consider Chubb's repudiation of the claim for the other car.

Chubb said the correct GPS tracker wasn't fitted on Mr T's car at the time of the theft and it didn't have automatic driver recognition. So it declined his claim for its loss.

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. Chubb relied on the following condition to decline the claim:

"Tracker fitted

The following condition is added to the Policy Conditions part of Your Policy.

Anti-theft vehicle tracking system - You... must ensure that an anti-theft vehicle tracking system with Pro-Active Automatic Driver Recognition is securely fitted and... must maintain

the vehicle tracking subscription on Your... Vehicle (s)...throughout the Policy Period. The anti-theft vehicle tracking system must be in full working order at the time of the theft."

I can see that the requirement is clearly stated on the policy schedule. Chubb said that Mr T was in breach of this policy condition at the time of the theft. And it said this entitled it to suspend cover until the breach was remedied. And so the claim was declined.

I agree that Mr T hadn't complied with the endorsement. The system he had fitted is clearly not an anti-theft vehicle tracking system with an active subscription. Mr T said the providers of the tracking system hadn't sent him reminders of his renewals. But I can't reasonably hold Chubb responsible for this.

Mr T also said the requirement was too complicated. But I can see that Mr T had the required tracking device for the other car, albeit it was never activated. So I can't say this is reasonable. I think it was for Mr T to read and understand his policy's requirements and to seek advice if he was unclear about them.

Our approach when an insurer doesn't pay a claim is to see if we think it's fairly declined the claim. When doing so we'll look at the circumstances, policy terms and industry guidelines. We think an insurer can only decline a consumer claim due to a breach of policy condition if it's material to the loss. And I can see that Mr T has said that the theft would have happened anyway, despite the active tracker system, as they had taken the car's keys and fob.

Mr T reported the theft five hours after it occurred. No signal had been received by the tracking company as the device was no longer activated. But if the automatic driver recognition had been in place and if it had been activated, then I think Chubb reasonably thought the theft would have been more readily detected and the chances of recovering the car increased.

This is because the tracker would immediately have alerted the tracking company and via it the police and Mr T to the attempted theft or tampering with the car and to the car's location during and after the theft. This would have considerably increased the chances of catching the thieves and/or recovering the car quickly. Also, the tracker gives the option of remotely immobilising the vehicle.

So, had an active automatic driver recognition tracker been fitted on the car, then Mr T, the tracking company and police would all have been advised of the theft the minute the car was driven off the driveway. Its location would have been advised to the police who could have been deployed instantly. Failing that, the car could have been immobilised remotely.

So I'm satisfied that by not having an automatic driver recognition tracker fitted and active, Mr T significantly increased the risk of the loss occurring in the manner in which it did. And so I think Mr T's breach of the policy condition was material to the loss. And so I think it was fair and reasonable for Chubb to rely on it to decline his claim for this car's loss.

Putting things right

I require Chubb European Group SE to reconsider Mr T's claim for the loss of the lesser valued car under the remaining terms and conditions of his policy on receipt of the required additional premium, as it's already agreed to do.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require Chubb European Group SE to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 17 April 2023.

Phillip Berechree
Ombudsman