

The complaint

Mrs R is unhappy with U K Insurance Limited's (UKI) handling of a claim she made on her motor insurance policy.

What happened

Mrs R made a claim on her car insurance policy when her car was stolen. UKI initially thought the car wasn't fitted with a tracker and so it declined the claim because it said this was a breach the policy conditions. Mrs R complained about its decision and its overall handling of the claim.

UKI later overturned its decision and accepted the claim. Mrs R also wanted to make a claim under her personal belongings cover for items that were in her car, and for electronics which she thought should be covered under the removable electronic equipment additional cover. UKI accepted the claim for the dash camera, it also paid Mrs R up to the limit of cover (£500) for her personal belongings. However, it said electronics such as her laptop, tablet and camera wouldn't be classed as 'removal electronic equipment'. It also didn't think it caused any unnecessary delays in its handling of the claim.

Our investigator thought the complaint should be upheld. She thought UKI unnecessarily delayed the claim for around two months – and noted Mrs R had phoned and emailed on numerous occasions for updates, and to get UKI to progress the claim. She thought it should pay £250 compensation for the delays it caused. Our investigator also said the policy didn't define what would be considered 'removable electronic equipment' and so she thought UKI should pay for the stolen items Mrs R claimed for.

UKI didn't accept our investigator's opinion, it says the items were portable personal items. It says removable electronics are devices that can be fitted to the car. It also doesn't think there were two months of delays that would warrant £250 compensation.

As an agreement couldn't be reached, the complaint as been passed to me to decide.

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, I've reached the same outcome as our investigator and for similar reasons. I'll explain why.

Claim for electronic devices

The terms and conditions of the policy say in the event of a claim, it would provide up to £2,000 in cover for removal electronic equipment. UKI doesn't think Mrs R's, laptop, tablet, and other electronics would be considered removable electronic equipment under the policy. So, I've thought about what it said and whether I think its decision to decline this aspect of Mrs R's claim was fair – and I don't think it was.

I've carefully read the policy documentation and I'm satisfied it doesn't define what is considered 'removable electronic equipment' under the contract, nor does it specify that the items being claimed for should be in-car equipment or should have the ability to be fitted to the car. I appreciate that UKI might have intended to only cover car devices in this section, but I don't consider that's what the wording says. In the absence of a specific definition, I think it's fair to apply the ordinary every day meaning of those words. Using that approach, I find 'removable electronic equipment' can be interpreted broadly to cover any electronic items that can be taken out of the car (which aren't specifically insured elsewhere in the policy).

I would also note that entirely separate cover is available for in-car entertainment equipment – and the policy makes clear that it is for devices fitted to the car. Based on this, and what I consider to be a fair interpretation of the term in question, I think it's reasonable to consider Mrs R's electronics under the 'removable electronic equipment' cover provided by the policy.

For this reason, I think UKI should pay Mrs R's claim for the electronics she had in the car when it was stolen, in line with the remaining terms and conditions of the policy.

Customer service

UKI initially declined Mrs R's claim on 27 August 2022, and she complained about its decision a few days later. It's not clear when UKI was first notified about Mrs R's tracking device, but its records show Mrs R phoned on 8 September 2022 when the car had been recovered. So, I think it's likely UKI became aware of the tracker around this time as there is no evidence of any further contact with Mrs R, until it requested the tracker information from her on 22 September 2022. I would have expected it to have requested this information when it was first informed, as it was key to the decision it reached. Mrs R has shown, and I'm satisfied she emailed UKI the same day with the information it had requested. This was requested again a month later before the decision was made to cover the claim the following day on 25 October 2022. So, I find UKI caused a delay of between a month and six weeks at this point.

I note Mrs R instigated most of the communication - including when she phoned, emailed and sent messages via social media as well as UKI's online chat function. So, I think UKI could have done more to keep her up to date with its progress. I also find she wasn't always phoned back when she should have been. The system notes show she was asked to phone other departments on more than one occasion, which supports what Mrs R says happened. And at times I find she was given incorrect information by UKI's agents.

So, I've thought about whether UKI ought to compensate Mrs R. Having a car stolen is upsetting and I think the delays in handling her claim and lack of communication will have caused significant added upset and stress in what was already a difficult time. I think UKI could have done more to investigate the claim before initially deciding to decline it (which was done very quickly). Had it done so, I find that would have limited the stress it caused Mrs R.

Mrs R says she took out a loan to pay off her finance agreement because of UKI's initial decision to decline the claim. She also says she had to buy a car in the interim, and paid to replace her stolen electronic equipment as she needed them for work. I think covering all these expenses would have caused Mrs R additional worry and upset. So, taking account of all the above impact I consider UKI's mistakes caused Mrs R, and our published guidance on these awards, I think £250 compensation is fair in all the circumstances.

My final decision

For the reasons mentioned above, I have decided I uphold this complaint and I require U K Insurance Limited to:

- Consider Mrs R's claim for the electronics stolen from her car under the removable electronic equipment part of the policy, and pay the claim in line with the remaining terms and conditions of the policy. It should pay 8% simple interest on any settlement it pays her from the date of loss until payment is made.
- It should also pay £250 in compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 22 June 2023.

Oluwatobi Balogun
Ombudsman