

The complaint

Mr I complains that UK Insurance Limited (“UKI”) declined a claim under his motor insurance policy.

What happened

Mr I had a motor insurance policy with UKI covering his car.

In June 2022, Mr I’s car was stolen, and he made a claim.

UKI declined his claim because he didn’t have an active subscription for a tracking device fitted to the car. UKI said Mr I needed to have this for it to be able to provide cover for theft of the car.

Mr I complained. He says he wasn’t aware he needed to have a tracking device fitted and a subscription active. He said he wasn’t told by UKI about this.

His car included a device that was fitted by the manufacturer, but Mr I hadn’t subscribed to that service.

UKI said it had provided Mr I with the information that he needed to have a tracking device. This included as part of the application process online for his policy, on his policy schedule, on the Insurance Product Information Document (IPID) and in the policy booklet.

Mr I remained unhappy and brought his complaint to this service. He wants UKI to settle his claim. He also says he’s suffered a great deal of distress from UKI’s decision to reject his claim.

Our investigator looked into Mr I’s complaint and didn’t uphold it. She said he thought UKI had reasonably done enough to bring the tracking device subscription requirement to Mr I’s attention. She said UKI had acted fairly.

Mr I didn’t agree with the view and asked that his complaint was reviewed by an ombudsman. So, it has been passed to me to make 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.

I know my decision will distress Mr I, but I’m not going to uphold his complaint. I’ll explain why.

Mr I bought the policy in September 2021 via a price comparison website. He also carried out a Mid-Term Alteration (MTA) in November to change the car’s registration number.

I’ve not been supplied with a copy of the online process for either his original application for cover, or the MTA he then carried out. But I don’t think that matters because I’ve looked at

Mr I's policy documents and I can see that the necessity for a tracking device and subscription was included in them.

I can see Mr I mentions that UKI say "if" it requires a tracking device to be fitted. He says this would make him think it was an optional item.

But I don't agree. A policy document is meant to be read in full and in conjunction with other parts of the policy, such as the policy schedule and endorsements.

I can see the requirement for a tracking device is mentioned on the policy schedule Mr I was sent when he originally took out the policy. Page four says:

"Endorsements

A tracking device must be fitted to this car and have a current network subscription for Theft cover to apply."

It's also in the IPID on the first page:

"Are there any restrictions on cover?"

- We will not pay a claim if your car is stolen and any tracking device, which we insist is fitted, has not been set or is not in full working order"*

It's also referenced in the policy wording on page 14:

"Using tracking devices

We won't cover any loss or damage if we required a tracking device to be installed on your car and:

- The device is not connected to a network because a subscription or service is not active.*

If we need you to use a tracking device, you can see this under 'Endorsements' in your car insurance details. [the policy schedule mentioned above]"

I can see that these documents were issued to Mr I.

Mr I has also said that his car had a tracking device fitted by the car's manufacturer. It's my understanding that this device needed a subscription to the manufacturer's service to operate fully.

The endorsement I've talked about above says that:

"A tracking device must be fitted to this car and have a current network subscription for Theft cover to apply."

It seems to me that merely having a device fitted isn't enough. UKI say it must have a current network subscription, and I can see from Mr I's description of events that he didn't have this.

I've said above that I think UKI did reasonably show the requirement to have an active tracking device subscription to Mr I in his policy documents. It seems to me that Mr I either didn't read or didn't understand this requirement. But I can't say that's the fault of UKI.

This is unfortunate for Mr I as it means I won't ask UKI to pay his claim.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 2 June 2023.

Richard Sowden
Ombudsman