

The complaint

Ms B complains about Ageas Insurance Limited's ("Ageas") decision to decline her claim under her car insurance policy.

What happened

Ms B says her car was stolen and, although it was later found by the police, there was fire damage caused to the car. She reported this to Ageas, but they declined her claim as they felt there were inconsistencies in Ms B's account of events. Ms B complained and Ageas responded and explained Ms B originally informed them she only had one key in her possession, and another was with her daughter-in-law. They said, after the car was found, they arranged for their engineer to review the damage to determine how the car had been taken. They said the engineer deemed the car a category B total loss. The engineer also raised concerns as there were no signs of damage to the locks or ignition, and the steering lock was still engaged so a key would've been used for the car to be taken. Ageas said they raised further queries with Ms B but felt there were inconsistencies in her version of events and didn't believe the theft to have happened in the way described by Ms B.

Our investigator looked into things for Ms B. She thought Ageas' decision to decline the claim was unreasonable and recommended they review the claim further. Ms B agreed but Ageas disagreed so the matter has come to me for a 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.

Having done so, I've decided to uphold the complaint. And, I think the investigator's recommendation is a fair way to resolve matters.

I can see Ageas have declined Ms B's claim on the basis of the following term: "*Failure to disclose correct and complete information to the best of your knowledge and belief may result in increased premiums, refusal of a claim or not being fully paid, your policy being cancelled or being made null & void and treated as if it never existed.*" This is set out in the policy documents under the 'Statement of Insurance' and the 'Contract of insurance'. So I've looked to see whether, in the circumstances of this case, Ageas' decision to decline the claim on this term is fair and reasonable.

I've listened to call recordings which includes Ms B's first call to Ageas to notify them of the theft, a further call where Ageas discuss the circumstances involving the spare key in more detail, and a call where Ageas inform Ms B of their decision to decline the claim. It's clear from these calls, as well as Ageas' correspondence with Ms B and our service, they have concerns about Ms B's account of the events which led to her car being stolen. Ageas say they don't believe Ms B has been truthful and has withheld information. They also say they don't believe the circumstances described by Ms B as being plausible.

In particular, they've mentioned Ms B originally told them she didn't have the spare key or what had happened to it. They say once they informed Ms B that their engineer found that the car must have been taken using a key, then Ms B told them her spare key was missing. They say Ms B also didn't tell them originally that her daughter-in-law's home had been broken into and this was only mentioned after they informed Ms B they potentially wouldn't be covering the claim. They say they're also concerned with Ms B's account that the only item taken from her daughter-in-law's home during the break-in was Ms B's spare key, which was kept in a locked kitchen cupboard. Ageas say, given that Ms B's daughter-in-law lives 10 minutes away and Ms B's car was parked at her own home, this means the thief would've had to know where the key was kept in Ms B's daughter-in-law's home, know which car it belonged to and then find the car at Ms B's home which is 10 minutes away. Ageas say they don't believe this account of events.

Taking this all into account, I understand Ageas have concerns about the account of events and the likelihood of the theft having happened in the way described by Ms B. But I don't think it's reasonable in the circumstances for them to use the policy term they have to decline the claim. I say this because, where this term is set out in the 'Statement of Insurance', it's preceded by *"Please read the following information carefully. Please advise us immediately...should any of the information be incorrect or missing. If we become aware of any changes to the information stated in this Statement of Insurance then we will update your policy and advise you of any change to your premium or to the terms that the insurer requires and send you a new Statement of Insurance."* And in the 'Contract of insurance', it's preceded by *"It's important that you check the information you have provided and notify us immediately of any changes to these details."*

The wording which precedes the policy term which Ageas are relying on relates to checking information prior to the policy going live to ensure it's accurate and to notify Ageas of any changes. So it's in relation to the information Ms B has provided at the point of sale and which has been used by Ageas to decide whether to offer a policy and at what price. The issue here though relates to Ageas' concern about the account Ms B has given to them about the circumstances leading to her claim – and not about any information being incorrect at the point Ms B's policy started. So, I don't think it's reasonable for Ageas to rely on this particular policy term in support of their reason to decline the claim.

Putting things right

I've taken the view that Ageas have acted unfairly in declining Ms B's claim based on the specific policy term they're using. So, Ageas should reconsider Ms B's claim further, in line with the remaining terms and conditions of the policy. It is of course open to them to make any other further enquiries they feel are necessary, but I don't think it's reasonable for them to use the specific policy term they have to justify their decision to decline the claim.

My final decision

My final decision is that I uphold the complaint. Ageas Insurance Limited must reconsider Ms B's claim in light of the remaining terms and conditions of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 12 June 2023.

Paviter Dhaddy
Ombudsman