

## **The complaint**

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

Mr S is represented in this case, but for ease I will refer to Mr S throughout.

## **What happened**

In September 2021 Mr S bought a motor insurance policy covering his high value car. He bought this online via a price comparison website.

In August 2022, Mr S’s car was stolen, and he made a claim.

UKI declined his claim because his car didn’t have an active tracking device fitted. UKI said Mr S needed to have this on his car for it to be able to provide cover for the car being stolen.

Mr S complained. He says he wasn’t aware he needed to have a tracking device fitted. He bought the policy online and he says UKI didn’t tell him about the tracking device requirement until after he’d bought the policy, which he says is unfair.

Mr S said his car had the ability to be tracked by its manufacturer using its built-in GPS system. He says he was told by the manufacturer that the police needed to request this. Mr S asked the police, who told him UKI needed to do it. UKI then called the manufacturer but said it ended the call due to an excessive call wait time.

UKI said it had provided Mr S with the information that he needed to have a tracking device.

This included on his policy schedule, on the Insurance Product Information Document (IPID) and in the policy booklet.

UKI says it gives customers 14 days to check that the policy is suitable for their needs and they can cancel the policy during this time.

It refused to consider Mr S’s claim any further. But it did agree its service during the claim had been poor because Mr S had been promised call backs, and it offered him £50 compensation.

Mr S remained unhappy and brought his complaint to this service. He wants UKI to settle his claim, and pay compensation for his distress and inconvenience.

Our investigator looked into Mr S’s complaint and didn’t uphold it. He said he thought UKI had reasonably done enough to bring the tracking device requirement to Mr S’s attention. He also thought UKI had tried to find out the car’s location, which would have been done straight away by an active tracking device. Because Mr S hadn’t checked his policy documents, UKI were entitled to rely on its exclusion and not pay Mr S’s claim.

Mr S 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.

I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

*In dealing with Mr S's complaint I've considered many different issues that have been raised by him. Having done this, I'm intending to reach a different decision from our investigator about the service he had from UKI.*

*But it's important that I say that I'm not intending to uphold what I think is the main part of his complaint, about the rejection of his claim. I'll explain why.*

### **Buying the policy**

*Mr S bought the policy in September 2021. He bought it online via a price comparison website.*

*This is important because I can see from his evidence that Mr S has used UKI's own website to demonstrate that he wasn't asked or told about the tracking device requirement during the sales process.*

*But that wasn't the website he used to buy it from, and I think it's fair to say that the sales process is likely to have been different to some degree.*

*In addition, Mr S checked the sales process after the claim had happened, which is likely to have been a year or more after he originally bought the policy. This would often mean that the sales process being followed on the website has changed, and it's also possible that UKI's underwriting requirements have changed in the intervening period.*

*I also asked UKI to provide a copy of the buying process for Mr S's policy, but it wasn't able to obtain this.*

*These factors are all very important, because we don't have a definitive version of Mr S's sales journey in September 2021. Mr S has provided evidence that UKI's website doesn't currently inform an applicant about the requirement for a tracking device and subscription, but that doesn't necessarily mean that it didn't at the time.*

*But I don't think that matters. I've thought carefully about Mr S's policy documents he was provided when he bought the policy and I can see that the necessity for a tracking device was included in them.*

*It's mentioned on the policy schedule on page four, which 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:*

- It hasn't been fitted.*
- The policyholder, main driver or anyone else named on the policy is aware that it's not working.*
- The device is not connected to a network because a subscription or service is not active.*
- The driver recognition device for any tracking device is left unattended in or on your car.*

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

*I can see that these documents were issued to Mr S by email dates two days before his policy started.*

*In later correspondence, Mr S has said that if the requirement for a Tracking device had been made clear at the quotation stage, he wouldn't have purchased this policy. He knew that other insurance companies wouldn't have required him to have, and be using, a tracking device.*

*It seems to me that Mr S knew that it was a possibility that an insurer might have made it a requirement of his policy to have a tracking device fitted and in-use. So, while I agree that we don't have definitive evidence of whether he was told about this during the sales process,*

*I think I can agree that he was told about this as part of his policy documents.*

*Given that he was aware there might have been a need to have a tracking device, I think Mr S should have taken the opportunity to read and understand his policy carefully. If he had, then he would have realised the tracking device was required, and he would have been able to cancel it before it started, or shortly after during the 'cooling-off' period.*

*Mr S has also made several legal arguments in his response to the view. I've reviewed the points he's made and have considered the relevant regulator's rules – the Insurance Conduct of Business Sourcebook (ICOBS). ICOBS sets out UKI's obligations when providing a customer with information about a policy.*

*ICOBS 6.1.5 (1) states:*

*'A firm must ensure that a customer is given appropriate information about a policy in good time and in a comprehensible form so that the customer can make an informed choice about the arrangements proposed.'*

*ICOBS 6.1.6 (1) states:*

*'The appropriate information rule applies:*

*at all of the different stages of a contract and includes pre-conclusion and post-conclusion, and also when mid-term changes and renewals are proposed'*

*I've said above that I don't think we have definitive evidence about the actual sales process*

*to say whether Mr S was told about the requirement before he bought the policy. But I don't think that matters here, because I can see that UKI did supply Mr S with the information he needed to make an informed choice. It's important that I say even though it was only two days before the policy started, it was Mr S's choice to wait until that point before buying the policy.*

*I'm satisfied that UKI gave Mr S enough time to consider its cover, and he had sufficient time to source alternative cover if he was unhappy with the cover offered by UKI.*

### **Manufacturer's tracking device**

*I can see from Mr S's claim details that his car had a device fitted by the car manufacturer which had the ability to function as a tracking device. This device needed a subscription to the manufacturer's service to operate fully, but the manufacturer could access the device using its own systems, even if the subscription wasn't active.*

*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 here. UKI say it must have a current network subscription, and I can see from Mr S's description of events that he didn't have this.*

*I've said above that I think UKI did show the condition to Mr S in his policy documents and he'd had time and opportunity to make sure he was happy with this. I realise this decision will greatly disappoint Mr S, but I think UKI has treated him fairly in declining his claim.*

### **Claims service**

*When Mr S's car was stolen I can see he made many calls to UKI, the police and the car manufacturer in an attempt to locate the car. The manufacturer said it knew where the car was, but could only tell the police. The police in turn said that UKI could get this information from the manufacturer.*

*UKI then called the manufacturer but UKI abandoned the call. From the evidence I have, UKI say it did this because locating the vehicle wasn't part of its claims service. Mr S has said UKI gave up the call after being on hold for about ten minutes.*

*I've thought carefully about this. Mr S was in the position where his claim had been declined.*

*He was no doubt under a great deal of stress and he was contacting third parties who had access to seemingly useful information. I understand UKI's position that it doesn't contact third parties to locate vehicles, but in this situation where it had a customer who had a declined claim, but active and accessible information about where his vehicle might be, I*

*think UKI should have done more to speak to the manufacturer and help Mr S.*

*If the location was shared, there is still only a possibility that the car could have been recovered. But Mr S had no way of obtaining the car's location from the manufacturer, and only UKI at that point was able to. So, for UKI to try once and abandon the attempt seems to me to show a poor level of customer service.*

*I've thought carefully about this because, as I've said above, I think Mr S was reasonably*

*told about the need to have an active tracking device fitted and he failed to do this. If he'd had an active tracking device, there's much more likelihood that the car may have been recovered quickly when it'd been stolen.*

*So I think Mr S is responsible for much of his own distress in this case, but I think UKI's actions in not chasing up the manufacturer contributed to it.*

*I think UKI has caused him significant distress and inconvenience by not doing more to help him during the claim. I intend to ask UKI to pay Mr S additional compensation of £250 for this.*

## **Responses to my provisional decision**

UKI accepted my provisional decision.

Mr S responded accepting that he didn't have an active subscription to the tracking device. He also said the manufacturer's device, which is an emergency SOS system, doesn't require an active subscription and was operational after the theft.

He says that the SOS system would effectively function as a tracking device if UKI had acted on it, and so it effectively met the requirements of UKI's tracking clause.

He questions whether UKI acted carelessly or recklessly by not speaking to the car manufacturer who had access to the GPS data about where the vehicle was.

## **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 do sympathise with Mr S for the very upsetting experience he has had firstly from the theft of his car, and then finding out that UKI declined his claim.

In his response to my provisional decision, Mr S points out that I didn't consider some of the points he'd made. If there's something I've not mentioned, I haven't ignored it. I've not commented on every individual detail. I've focussed on those that are central to me reaching what I think is the fair outcome. This reflects the informal nature of our service as a free alternative to the courts.

Mr S has maintained his position throughout that he wasn't told during the sales process about the requirement for a tracking device to be fitted to the vehicle, and an active subscription in place.

But I've not seen evidence of this.

The evidence I do have shows me that the IPID, policy schedule and policy wording all contained clear references to the fact that a tracking device must be in operation. I said in my provisional decision that these were issued to Mr S. Mr S confirmed he'd had these, and the policy had been in force for nearly a full year before the car was stolen.

I've thought carefully about Mr S's point that the car's emergency SOS system was a tracking device. But there are clear differences between a pro-active tracking device and the type of SOS system fitted. If the existence of the SOS system was sufficient to conform with UKI's (and other insurers) requirements, then I think I can reasonably say that the policy document would deal with this decisively.

There are mentions in the file saying that Mr S didn't have an active subscription to the SOS system either – which is why the car manufacturer wasn't able to share the car's location with him.

Having considered all of these points, I don't think Mr S's contention that the SOS system is a tracking device is enough. I've looked at the manufacturer's website and I can see it is a service that requires an account to be set up, and for full use of the services a subscription needs to be entered into.

UKI's policy requires the existence and use of a tracking device, with an active subscription, and I can't say Mr S has complied with this requirement.

Because I think UKI did tell him about the need for the tracking device, and because Mr S didn't comply with its requirements, I can't reasonably ask UKI to pay Mr S's claim.

I appreciate the scale of Mr S's loss is substantial and my decision will be a great disappointment to him.

But I do still think UKI's service should have been better, particularly with the abandoned call to the car manufacturer. UKI has agreed with this, so my decision to award a total of £300 for his distress and inconvenience will stand.

### **My final decision**

It's my final decision that I uphold Mr S's complaint in part. I direct UK Insurance Limited to pay Mr S a total of £300 compensation for his distress and inconvenience caused by its claims service. This includes the offer of £50 compensation UK Insurance Limited has already made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 June 2023.

Richard Sowden  
**Ombudsman**