

The complaint

Miss G complains about how Advantage Insurance Company Limited (“Advantage”) declined a claim for the theft of her car under her motor insurance policy.

What happened

Miss G had a motor insurance policy with Advantage covering her car.

Her car was stolen from outside her home in January 2023 and she made a claim.

The car was recovered by the police. The people who took the car were convicted of taking the car and other crimes.

When the car was recovered, a key was found in it. Advantage carried out an analysis of the car and the key.

Miss G wasn’t able to find the second key for her car. She thinks it’s been misplaced in her home or her partner’s vehicle.

Advantage thought that the car had been taken using the key which had been left in it, or the car had been left unsecured. It declined the claim.

The police charged for recovery and storage of the car., Advantage paid £236.90 for this, but then asked Miss G to pay for it when it rejected her claim. Miss G also had to pay £90 to collect her car from Advantage’s repairer and incurred travel costs of about £60.

Advantage took ten weeks to decline the claim. It provided a hire car for about six weeks during this time.

Advantage agreed some of its service hadn’t been good enough and it paid a total of £80 to Miss G.

She was unhappy with Advantage’s response and brought her complaint to this service. She asks that Advantage refund her the recovery and storage costs, her additional travel expenses while she didn’t have a car, and compensation for her distress.

Our investigator looked into Miss G’s complaint and thought it would be upheld. She thought it should deal with the claim in line with the terms and conditions of the policy plus 8% simple interest. She also thought Advantage should pay an additional £100 for her inconvenience.

Miss G accepted the view but Advantage responded and said it thought Miss G should have safeguarded her car when she realised the second key was missing. It said she should have changed the car’s locks.

Because Advantage didn’t agree, this complaint 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.

Having done so, I'm upholding Miss G's complaint.

Miss G she said had two keys for her car. The key found in the car when it was recovered, which I think is reasonably the car used to steal the car, was analysed by Advantage's forensic expert. The key isn't a type that can hold data, and the forensic report says that the mileage of the car was reasonably representative of the amount of wear and tear on the key. The expert thought the key was likely the main key for the car.

Both keys were apparently kept together in the kitchen of her home. Miss G says she didn't notice the absence of the spare key and simply thought she'd misplaced it at home or in her partner's car a few months before the car was taken. She's the only driver of the car.

It's important that I say it's not my role to determine how the theft occurred. My role is to consider whether Advantage behaved fairly when investigating the claim and that its conclusions are supported by the evidence.

When Advantage use a policy condition to repudiate a claim it's essential that it provides evidence about this. In Miss G's case, Advantage has said it was using:

3. Theft claims

You're not covered for any claim for the theft of your Car unless:

- *Your Car was fully locked and secured and any Keys that unlock it were removed*

And:

What isn't covered under sections 1 and 2 You're not covered for:

- *Theft or damage, if the Car Keys were left in or on the Car or if the Car is left unattended with the engine running*

I've considered whether it was fair and reasonable for Advantage to rely on these terms and decline Miss G's claim. In its evidence, Advantage hasn't shown Miss G failed to lock her car or that she failed to ensure the keys were removed from it at the time. So, I don't think it's shown either of the points stated above would apply here.

In its response, Advantage says:

"Either the keys were left in or around the vehicle, or Miss G failed to safeguard the vehicle when they knew the key was missing. There is no evidence of a burglary taking place..."

This refers to a requirement that Miss G needs to protect by safeguarding it from harm.

I've said above she has said she had two sets of keys and noticed the other set was missing a few months prior to the theft, but simply thought she'd misplaced it.

Taking everything into account, I'm not persuaded that Miss G would have recognised there was a risk of her car being stolen as she thought the spare key was still either inside her home or in her partner's car.

So, as Miss G wasn't reasonably aware of a risk to her car, I don't find it reasonable to expect her to have taken steps to safeguard it by carrying out actions like having the locks changed, as Advantage has said.

I've said above that it's essential Advantage provide evidence for why it's rejecting a claim, and in this case I don't think it has.

So I don't think Advantage's approach here is fair and reasonable and I think it needs to settle Miss G's claim in line with the remaining policy terms. For the avoidance of doubt, this includes, but isn't limited to, refunding the amounts paid by Miss G to it for vehicle recovery and storage. I also think it's reasonable that Advantage repay her travel costs during this period of about £60 subject to evidence being provided.

Miss G has also expressed her dissatisfaction with Advantage's procedures. I can see she's been caused distress and inconvenience by its handling of the claim to the point when she contacted this service, she said she didn't want to have anything further to do with Advantage.

I have read about Advantage's poor service to Miss G, and particularly about it taking ten weeks to reject her claim. I can also see she was given wrong information by it during her claim and had to chase it repeatedly for updates. Advantage did provide Miss G with a hire car for several weeks during the claim, and I think this was fair and reasonable of Advantage.

In the view, our investigator offered her an additional compensation of £100 which I can see Miss G has accepted. Because she's accepted this amount I think the fair approach is to require Advantage to pay it to her.

My final decision

It's my final decision that I uphold this complaint.

I require Advantage Insurance Company Limited to:

- Settle Miss G's claim on the remaining policy terms. Interest at 8% simple should be added to this, from one month after the claim was made to the date payment is made.
- Pay Miss G an additional £100 for her distress and inconvenience caused by its claims handling.

Advantage Insurance Company Limited must pay the amount within 28 days of the date on which we tell it Miss G accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 8 November 2023.

Richard Sowden
Ombudsman