

## **The complaint**

Ms R complains about how her insurer, Admiral Insurance (Gibraltar) Limited (Admiral), handled a claim under her motor insurance policy following the theft of her vehicle.

Any reference to Admiral in this decision includes their agents.

Ms R was supported by a representative in making her complaint. References to Ms R include her representative.

## **What happened**

Ms R purchased a vehicle on finance in March 2023. She visited her parents over the subsequent Easter break, but unfortunately her vehicle was stolen from the road outside the property in the early hours of 10 April 2023. She noticed the theft mid-morning and phoned the police to report the theft. She also contacted Admiral to tell them about the theft and lodge a claim. The vehicle wasn't recovered.

Ms R sent Admiral information they requested, but she wasn't able to send the spare key for the vehicle as she'd packed her car ready to return home and the key was left in the vehicle, underneath items in the glovebox. She'd previously left the spare key at her parents as it was the location where Ms R purchased the car, but she wanted to take it back to her home. Ms R told Admiral she didn't think the vehicle was taken using the spare key as they had CCTV footage taken from a neighbouring property which she thought indicated the vehicle had been hot-wired. Ms R sent the footage to Admiral.

Ms R said Admiral initially indicated they'd accept the claim and make a settlement in a few days. When this didn't happen, she contacted them and was told they wouldn't be making a settlement. Admiral said they had concerns regarding the claim, so it was under investigation. They appointed an investigator (B), who interviewed Ms R. The investigator concluded Ms R hadn't acted fraudulently, but Admiral then said Ms R had breached the terms and conditions of the policy by leaving the spare key in the vehicle glovebox.

So, they declined her claim. In the letter declining the claim they referred to a General Condition of the policy about care of the vehicle, saying Ms R had breached the condition and therefore they wouldn't provide cover for the theft of the vehicle.

Ms R challenged Admiral, saying CCTV evidence indicated the way the vehicle was stolen wasn't by using the spare key and it was highly unlikely the thieves would have found the spare key in the time they took to steal the vehicle. And there was no evidence Ms R had left the vehicle unlocked. So, she complained to Admiral.

Admiral didn't uphold the complaint. In their final response, they said Ms R confirmed the spare key was left inside the vehicle. From CCTV footage, the thieves were trying vehicle doors (to find unlocked vehicles) and didn't appear to be carrying any equipment. They only spent a short time near Ms R's vehicle before the engine was started. Admiral said they'd consulted a forensic engineer who confirmed the vehicle could not be hot wired and suggested the vehicle lights would have flashed had the vehicle been unlocked when the vehicle was locked. This had also been confirmed by the vehicle manufacturer. As the lights

didn't flash, this meant it was unlocked at the time of the theft. Given these points, Admiral confirmed their decision to decline the claim as Ms R had failed to safeguard the vehicle.

But Admiral did uphold, in full and in part, two earlier, separate complaints from Ms R. The first was about her being told by a call handler her claim was being processed and payments would be raised (to the finance company and to Ms R) as well as other issues in the way the claim had been handled. Admiral awarded £50 for calls from Ms R requesting an update and hold times on the call and £100 for frustration and upset. The second complaint was about the way the investigation by B had been arranged and conducted, awarding £200 for frustration and upset to Ms R.

Ms R then complained to this Service. She disputed Admiral's view her vehicle couldn't have been stolen without the key and it was unlocked at the time of the theft, saying the make and model of her vehicle was one of the vehicles reportedly most stolen in the UK. She also thought the policy wording was vague as it referred to a claim 'might' be declined, and the specific clause used to decline the claim wasn't a clear part of the policy and not available through the online policy account. She had been impacted from the vehicle being stolen only two weeks into the finance agreement, which would have a significant financial impact on her, as she would have to continue making the payments, meaning she'd had to take on a second job to continue meeting the payments. She also wasn't able to take out another finance agreement. This had also caused her significant stress and upset. She wanted Admiral to accept her claim.

Our investigator upheld the complaint in part. On decline of the claim, he thought the General Condition Admiral relied on was accessible and a common term in motor insurance policies. On the evidence about the theft of the vehicle, he thought it likely if the vehicle was locked, when it was unlocked the lights would flash. But the CCTV footage didn't show this. Looking at all the evidence, he thought it more likely than not the spare key being left in the vehicle was the reason the theft was possible, and a reasonable conclusion to draw. So, Admiral had done enough to rely on the policy terms to decline the claim.

On the issue of Ms R being initially led to believe her claim was going to be accepted, the investigator thought this was a significant loss of expectation for her, given the subsequent investigation and decline of the claim. The investigator thought the £100 awarded by Admiral wasn't sufficient compensation for this loss of expectation. The investigator also thought the arrangements for B to interview Ms R (at her parents, rather than her home location) also caused her significant stress, which may have affected her performance in an examination she sat at the time.

Taking all these factors into consideration, the investigator thought Admiral should pay a further £250 in compensation for distress and inconvenience, in addition to the £350 in total they'd previously awarded.

Ms R disagreed with the investigator's view and asked that an Ombudsman review the complaint. She felt she'd been penalised for her honesty in saying the spare key had been left in the vehicle and obtaining the CCTV footage from a neighbour. Had she not provided the footage, she felt her claim would have been settled. She accepted, on the balance of probabilities, the footage suggested the thieves may have had the spare key left in the vehicle, but they hadn't had an explanation of the multiple attempts to start the vehicle, nor the thief returning to the vehicle apparently carrying something carefully.

She accepted Admiral referred to the Policy Guide in the Policy Schedule, but neither was made available to her or drawn to her attention when the policy was taken out. The Policy Guide also wasn't easily accessible on Admiral's website. While a strict interpretation of the terms of the policy may have been correct, it wasn't fair or reasonable.

## 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'd first want to say I appreciate what Ms R has told us about the impact on her of what happened. There's no dispute her vehicle was stolen – the CCTV footage clearly shows the theft – and to have her vehicle stolen, one she'd only had for a couple of weeks, would be traumatic. Left without her vehicle and a significant financial commitment for the vehicle is very difficult, given the impact she set out when bringing her complaint. While sympathetic to her circumstances and impact of the theft, my role here is to decide whether Admiral has acted fairly towards Ms R.

The main issue in Ms R's complaint is the decline of her claim for the theft of her vehicle. She disputes Admiral's view the vehicle was unlocked at the time it was taken and could only have been taken using the [spare] key. Admiral say Ms R breached the policy terms and conditions, specifically a General Condition on care of the vehicle, by it being unlocked and by leaving the spare key inside.

While this is the key issue, Ms R also says the policy wording is vague, wasn't provided to her when she took out the policy, and difficult to locate on Admiral's website. In addition to this issue, Ms R also complained to Admiral about the way the claim was initially handled, in particular being told it was likely to be accepted and a settlement issued, as well as the approach and handling of B's investigation. Admiral accept shortcomings in both cases, awarding compensation, respectively, of £150 and £200.

On the first issue, I've carefully considered all of the available evidence and information. This includes that provided by Ms R and Admiral, including the statements made by Ms R about the circumstances of the theft, the reports from B, Admiral's case notes and complaint notes. I've also looked at the CCTV footage of the theft taken from a neighbour's property.

In their final response Admiral say Ms R failed to safeguard her vehicle by leaving it unlocked. They also refer specifically to the Policy Booklet, which includes the following under a heading *General Conditions*:

### *"3. Care of your vehicle*

*You and any other insured person must:*

- *Protect your vehicle from loss or damage...*
- *Remove and secure any keys or device that allows access to your vehicle; if it is left unoccupied...*

*Failure to comply with the above could affect the amount you are able to claim, result in the claim being refused and/or your policy being cancelled.*

*If an incident happens, which is directly or indirectly caused or contributed to by any of the following:*

- *...your vehicle being left unlocked or unsecured.*

*No cover under the policy will be given and instead our responsibility will be restricted to meeting the obligations as required by Road Traffic Law."*

I've also noted the following statement in the Insurance Product Information Document (IPID) under the heading *What is not insured* and a subheading *You won't be covered under these circumstances*:

- ***"Poor security: You won't be covered if you leave your vehicle unlocked or unsecured"***

Ms R is adamant she locked her vehicle, stating this consistently from the first time she told Admiral of the theft. I've also seen an email from the local police who spoke to Ms R, stating they had no concerns about the account of the incident she provided. For their part, Admiral say – based on what they were told by a dealer of the vehicle manufacturer - if the vehicle had been locked at the time of the theft, then it being unlocked would have caused the lights to flash. But the CCTV footage doesn't indicate any obvious flashing (by reflection, as the vehicle is obscured by a hedge). So, the vehicle must have been unlocked at the time.

I've listened to the call in which the vehicle manufacturer dealer confirms that if the vehicle was locked at the point of unlocking, the lights would have flashed. And from the CCTV footage there is no flashing of the lights at the point the thief enters the vehicle. Nor was there any evidence of forced entry to the vehicle, such as smashed glass debris, nor (had the vehicle been locked) any indication of any vehicle alarm being triggered.

Taken together, on balance, I've concluded it's not unreasonable to conclude the vehicle was unlocked at the time of the theft.

Moving to the issue of whether the spare key being in the vehicle enabled the vehicle to be stolen, I've noted Ms R (when responding to our investigator's view) accepts, on the balance of probabilities, the footage suggests the thieves may have had the spare key left in the vehicle. I think it likely this is the case, as while the vehicle being unlocked enabled the thieves to gain entry to the vehicle, they would still have had to start it and drive away. Which may also (although I cannot be certain of this) have meant defeating any engine immobiliser, which may have been activated (after a period) even if the vehicle wasn't locked. Having access to the key would have enabled them to start the vehicle and drive away.

While accepting the thieves may have had access to the key, Ms R says she hasn't had an explanation of the multiple attempts to start the vehicle, nor the thief returning to the vehicle apparently carrying something carefully. On the first point, it's not possible to infer that if there were multiple attempts to start the vehicle this meant the thieves didn't have the key. It may have been they were relatively unfamiliar with the vehicle. And their returning to the vehicle apparently carrying something isn't something for which there is a clear explanation – although I note when returning to the vehicle the thief doesn't have the scooter visible in the first part of the footage. Suggesting they returned to the vehicle having disposed of the scooter or left it somewhere.

Admiral also state the vehicle make and model means it couldn't be 'hot-wired' as suggested by Ms R. Given the vehicle had an engine immobiliser, I agree this is the case – given 'hot-wired' to mean joining two ignition leads to start the vehicle. However, the police email includes the following statement:

*"From viewing CCTV and speaking with the victim, it does appear to be a keyless theft..."*

While this statement might appear to support Ms R's view, it's not clear whether the police were aware of what Ms R said about the spare key being left in the car. And from what I've seen, the vehicle wasn't fitted with a 'keyless entry/go' system. Which means it wouldn't be susceptible to 'relay theft', which is something thieves use to steal vehicles equipped with keyless entry/go systems.

Taking all these points together, I've concluded it was reasonable for Admiral to apply the policy exclusions to decline Ms R's claim.

I've then considered Ms R's view the policy wording is vague, wasn't provided to her when she took out the policy, and difficult to locate on Admiral's website.

From what she's said, Ms R thinks the wording of the General Condition quoted above is vague because it says failure to comply with the condition (about removing any keys from the vehicle if left unoccupied) **could** (my emphasis) result in a claim being refused. I've considered this, but I don't agree it makes the condition vague. It simply reflects that a claim might be refused (or reduced). I don't think this unreasonable as it allows Admiral to consider the circumstances of a claim when reaching a decision on whether to accept a claim, accept it but at a reduced amount, or to decline it completely. So, using the word 'could' simply reflects a range of possible outcomes depending on the specific circumstances of a claim.

On the point about the policy document not being provided to her directly when the policy was taken out, the Policy Schedule contains the following wording as the first paragraph in the document:

*"This policy schedule provides important details about your policy. It must be read along with Your Car Insurance Guide, which is available at [www.Admiral.com](http://www.Admiral.com)."*

Ms R says the Policy Guide is difficult to find on the website. I've accessed the website and located the Policy Guide, headed *Your Car Insurance Guide*, which is located through one of a series of options (*View policy books* option under a subheading *Policy Details* under *Explore our website* at the foot of the homepage). Five clicks took me to the appropriate Policy Guide for the period covered by Ms R's policy, where the General Conditions are set from page 22 onwards (the document contains 32 pages).

While it requires a number of clicks to find, I don't think this means the Policy Guide is difficult to locate. And given the reference in the Policy Schedule, I don't think a policyholder would be unaware of the need to read the Guide in conjunction with the Policy Schedule. And while the specific General Condition is located in the Policy Guide, I've also considered the fact that motor insurance policies generally include an exclusion where keys are left in or on the vehicle and/or the vehicle is left unattended. I also consider it reasonable to think leaving keys in a vehicle significantly increases the risk of the vehicle then being stolen.

So, taking all these factors into account, I've concluded Ms R should reasonably have been aware of the Policy Guide and the exclusion for leaving keys in the vehicle when it was unattended.. Given the vehicle was parked on the road outside her parents' property and was stolen in the early hours of the morning, it's reasonable to say the vehicle was unattended at the time of the theft.

I've also considered Ms R's point that she's been penalised for her honesty in telling Admiral the spare key was in the vehicle at the time of the theft, and for obtaining CCTV footage of the theft. While I appreciate her feeling this way, when a vehicle is stolen it's routine for insurers to ask whether the policyholder still has all sets of keys for the vehicle, and to provide those keys (which can then, if thought necessary, be interrogated by a forensic engineer to determine they match the vehicle, their usage, and other factors relevant to consider the circumstances of the theft). So, Ms R would have had to explain why she couldn't provide both sets of keys for the vehicle – which she'd only had, from new, for a couple of weeks.

And providing CCTV footage would help confirm the theft and provide evidence of the circumstances. While Ms R believes had she not provided it, Admiral would have accepted the claim, this isn't what happened and therefore isn't something I've considered. In any event, even had the footage not been available (or provided) Admiral would still have had to assess the claim based on the spare key being left in the vehicle, the exclusion used to decline the claim.

I've then considered the other aspects considered by Admiral and upheld, in full and in part, the earlier complaints from Ms R. The first about her being told by a call handler her claim was being processed and payments would be raised, as well as other issues in the way the claim had been handled. Admiral awarded £50 for calls from Ms R requesting an update and hold times on the call and £100 for frustration and upset. The second complaint was about the way the investigation by B had been arranged and conducted, awarding £200 for frustration and upset to Ms R.

Looking at the circumstances of the complaints, I think Ms R suffered a significant loss of expectation from initially being told her claim would be accepted, only for it then to be declined. I think the loss of expectation would have been significantly increased because of the financial impact Ms R has described from having her claim declined. I've also concluded the issues with the arrangements for Ms R to be interviewed by B caused her stress and inconvenience, again this would have been more significant due to the circumstances she's described.

Given these conclusions, and the impact Ms R has described, I think she's suffered considerable distress, upset and worry, with significant inconvenience, over a period of several months. Taking all the circumstances into account, I think £600 compensation for distress and inconvenience would be fair and reasonable. That is, an additional £250 on top of the £350 awarded by Admiral.

### **My final decision**

For the reasons set out above, my final decision is that I uphold Ms R's complaint in part. I require Admiral Insurance (Gibraltar) Limited to:

- Pay Ms R £600 in compensation for distress and inconvenience (taking account of any compensation they may already have paid).

Admiral Insurance (Gibraltar) Limited must pay the compensation within 28 days of the date on which we tell them Ms R accepts my final decision. If they pay later than this they must also pay interest on the compensation 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 Ms R to accept or reject my decision before 1 May 2024.

Paul King  
**Ombudsman**