

The complaint

Mr A complains about Society of Lloyd's decision not to settle his claim. He also complains about delays in assessing his claim and feels he's been treated unfairly and racially profiled.

What happened

The details in this complaint are well known to the parties, so I'll give just a brief summary here.

Mr A owned a campervan, which he reported stolen in March 2020. He subsequently claimed on his insurance policy. The vehicle was located by the police, but reported stolen again before it could be recovered by Mr A's insurers. I understand the campervan had not been driven for some time and was not driveable when it was reported stolen.

In July 2020, Society of Lloyd's contacted the police for reports. Some reports were provided later in 2020.

In September 2020, Mr A was contacted by the DVLA, as someone else had applied to become the registered keeper of the campervan.

In April 2021, Society of Lloyd's received the final police report it had requested.

In October 2021, Society of Lloyd's told Mr A that it was unable to settle his claim at the present time. It was aware there'd been two registered keepers since Mr A reported his campervan stolen and said that as the vehicle was not missing, it could not investigate further. It advised Mr A to contact the police to investigate the matter further.

Over the course of the investigation, Mr A made two complaints to Society of Lloyds, covering the delay in assessing his claim, unfair treatment and the refusal to pay out on his policy. In his complaint letter dated July 2022, Mr A told Society of Lloyd's that he'd received an email from the police who told him the DVLA were unable to put a block on his vehicle but that the police had the van marked as stolen with himself recorded as the owner. Mr A further said he'd complained to the police who told him they couldn't find the person who stole his van and that his insurance company should pay out. Mr A said he at a loss as to what more he could do.

In a final response letter dated November 2022, Society of Lloyd's said it was entitled to conduct appropriate enquiries in respect of a claim. It said it had seen no evidence that Mr A had been racially profiled and that it had followed the standard process in assessing a claim where theft is a factor. It reiterated its position regarding the claim. It also said that delays in obtaining police reports were beyond its control, but acknowledged it could've been more proactive in providing updates. And it acknowledged there'd been some internal delays and offered £150 compensation for any stress and inconvenience caused.

Mr A was unhappy with the response and came to the Financial Ombudsman Service. Our investigator upheld the complaint, telling Society of Lloyd's to reassess the claim against the

remaining policy terms and pay Mr A £700 compensation for the delays and inconvenience caused.

Mr A accepted our investigator's view. Society of Lloyd's made further submissions. It said there were no remaining terms under which it could reassess the claim and it could not grant indemnity and settle the claim because the vehicle was not missing but had been registered to a new owner. It also said that distress and inconvenience should only be awarded for avoidable delays and that its offer of £150 was fair. It asked for a final decision, so the complaint came to me.

In January 2023, I issued a provisional decision. I said I intended to uphold the complaint, but that my reasoning and redress differed from that proposed by our investigator. I gave the following summary of my reasons:

'Claim

'Mr A made a claim following the theft of his vehicle. In Mr A's policy, theft is covered under a section titled, 'loss of or damage to your vehicle.' The policy says:

'We will insure your vehicle against loss or damage caused by theft or attempted theft, or taking your vehicle away without your permission.'

'I acknowledge this is an unusual case, in which Mr A's vehicle was stolen twice within a few weeks and it subsequently came to light that a third party had applied to become the registered keeper of the vehicle.

'In not settling the claim, Society of Lloyd's relied on the fact that the vehicle was not missing as it was aware there'd been two new registered keepers since the reported theft. It maintained this was still a police matter and that it was for Mr A to ask the police to investigate further, with a view to the vehicle being returned to him.

'I've seen Mr A's July 2022 complaint letter to Society of Lloyd's, in which he says:

'On the 1 November 2021 I contacted PC [H] at the Metropolitan police to reopen my case as the insurance company had sent me a letter advising me to reopen the case after they had discovered that there had been 2 registered owners since it was stolen.

'27 January 2022 received an email from PC [R]...stating that they have been informed by the DVLA that they cannot put a block on my vehicle but that the police had the van marked as stolen with myself recorded as owner.

'I have complained to the police who told me that they can't find the person who stole my van and that there have been 2 subsequent owners. They have told me that my insurance company should pay me for the theft of my van.'

'I have spoken to the DVLA and provided them with the police CAD and asked them not to register my van with any other owner and informed them that it was still registered as stolen.

'I am at a loss as to what more I can do and cannot understand why my claim has not been processed properly by my insurance company.'

'The final response letter of November 2022 does not respond directly to Mr A's comments regarding his contact with the police after October 2021, rather inviting Mr A to contract the underwriters directly if he can provide any additional information.

'I don't know whether Mr A did contact the underwriters after he received the final response letter. But I'm mindful that he'd already provided an update on his contact with the police to Society of Lloyd's in his complaint letter and specifically referred to emails between himself and the police.

'I've seen a number of emails between Mr A and the police after October 2021 in which Mr A tries to progress matters, as requested by Society of Lloyd's.

'In an email to Mr A, dated 27 January 2022, PC R writes:

'I have spoken to DVLA and they cannot put a block on the vehicle.

'On police systems the vehicle is showing as stolen, so if the vehicle hits and AMPR [sic - presume ANPR] camera police will be notified and hopefully can track it down.

'Your number is on the marker that the vehicle is stolen on, so if police locate your vehicle you will be contacted ASAP.'

'And in an email from PC N, dated 21 February 2022, there are details of the crime report, which concludes with the following:

'I have conducted police checks on the vehicle and located the current registered keeper and got previous registered keeper details and spoken to both parties. I have followed back to try and trace steps of where it was purchased from however and address check shows that they no longer reside at the address. Due to this the investigation has come to a close with no further leads.

'The vehicle remains with the new registered keeper as they have been an innocent party in this case. Police have been unable to identify the offender, no CCTV covers the incident.'

'Society of Lloyd's previously confirmed to our investigator that it was unsure how it could review the claim further as there was no theft as the vehicle had a new keeper. From what I've seen, Mr A did as Society of Lloyd's asked him, by seeking reinvestigation by the police.

'The vehicle was promptly reported as stolen. From the emails, the police appear to have accepted that theft occurred and the vehicle was marked as stolen. Police have been unable to identify a suspect or recover the vehicle to Mr A. They considered the new registered keeper an innocent party. The recovery of the vehicle to Mr A is not considered to be a police matter and is not being pursued.

'It seems to me unfair that Mr A should be left in this stalemate, with his insurer saying the vehicle isn't missing and police having closed their investigation. I cannot see any realistic prospect of Mr A being able to recover the vehicle in these circumstances, nearly four years after the theft. So I think the fair and reasonable outcome to this complaint is for the insurer to treat the claim as theft under the terms of the policy and now settle it.

'Customer service

'I acknowledge Mr A feels he was racially profiled during the investigation. I accept Mr A's testimony as his experience and genuine belief. I appreciate the nature of the investigation may have felt challenging, but overall, I think the enquiries Society of Lloyd's made in respect of the claim were reasonable in the circumstances. I've not seen anything to suggest Mr A's claim followed a different process to any other theft claim.

'In terms of delay, this situation has been ongoing for some time and that from claim to claim decision letter took over eighteen months. From what I've seen, Mr A was proactive in pursuing his claim. Society of Lloyd's has referenced circumstances beyond its control, when police reports were delayed, in part due to demands on resources and the impact of the Covid pandemic. But Society of Lloyd's has also accepted it was responsible for some delay and that it could have been more proactive in providing updates. £150 was offered. Our investigator proposed £700.

'I don't doubt that Mr A has found this whole process stressful and upsetting. He's had to go to some effort to pursue his claim, including recontacting the police and re-engaging with them over a number of months, before exhausting that process. But it is for the claimant to show they've suffered a loss covered under the policy. Any claim involves time, effort, a degree of inconvenience and potential stress. In awarding compensation I have to focus on where a business's mistakes have caused additional distress and inconvenience. So overall, I'm presently minded to say that Society of Lloyd's offer of £150 does fairly recognise the impact of its errors.'

I further explained that my intention was to require Society of Lloyd's to put things right as follows:

- Settle Mr A's claim.
- Add 8% simple interest to the settlement figure, from 26 August 2022 until the date of settlement. I chose this date on the basis that it was four weeks after Mr A's formal complaint letter in which it should've been clear to the insurer there was further police information available relevant to the assessment of the claim. I think it would've been reasonable for the insurer to ask for that information and review the claim within four weeks.
- Pay Mr A £150 compensation for distress and inconvenience.

Mr A accepted my provisional decision. Society of Lloyd's requested sight of the emails between Mr A and the police, which our investigator duly forwarded. She also sent a further email, on 2 February 2024, reminding Society of Lloyd's that the deadline for responses to my provisional decision was 9 February 2024. No response has been received. It's clear Society of Lloyd received my provisional decision and has been sent a reminder email. The deadline for further comment has now passed, so I consider it appropriate to issue my 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.

As Mr A has accepted my provisional decision and I've not received any additional comment from Society of Lloyd's, my thinking hasn't changed from that which I've previously outlined. I uphold this complaint for the reasons already given.

Putting things right

Society of Lloyd's should now:

- Settle Mr A's claim.
- Add 8% simple interest to the settlement figure, from 26 August 2022 until the date of settlement.
- Pay Mr A £150 compensation for distress and inconvenience.

My final decision

My final decision is that I uphold this complaint and require Society of Lloyd's to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 March 2024.

Jo Chilvers
Ombudsman