

## **The complaint**

Mrs R complains about the decline of her motor insurance claim by Admiral Insurance (Gibraltar) Limited.

## **What happened**

The background to this complaint is well known to Mrs R and Admiral. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mrs R bought a car in early May 2023. She undertook some due diligence – such as ID verification of the seller, HPI check etc. Shortly afterwards DVLA contacted Mrs R as another person was also trying to register the car. It then came to light that the car had been 'cloned' as the vehicle identification numbers (VIN) in the car (chassis and window) didn't match. The car had been reported stolen prior to Mrs R purchasing it.

Police then seized the car. Mrs R contacted Admiral to make a claim against her motor insurance policy. Admiral declined the claim and Mrs R made a complaint.

Admiral didn't uphold the complaint. They said the claim had been fairly declined as no insured event had taken place. Mrs R referred her complaint to our Service for an independent review. Our Investigator considered the complaint but didn't recommend that it be upheld.

As Mrs R remained unhappy, the complaint has been referred to me for 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

Often when a complaint of this nature is made, our Service can make a customer aware that, dependant on how they paid for the car, they may be able to get in contact with their bank if they were a victim of fraud. I understand that Mrs R also has another complaint with our service in relation to her bank, but that she paid for this car by cash. My decision's findings relate solely to the actions of Admiral here and there is no crossover with Mrs R's other complaint.

I'm sorry to hear of Mrs R's experience since buying the car. It's clear the emotional and financial toll this has had on her.

Mrs R has referred to doing her due diligence when buying this car. For example, running checks online and obtaining receipts for the purchase. I consider her actions positive and

they support that she bought this car in good faith. But this doesn't automatically mean that Admiral need to indemnify her. I'll return to this point later in the decision.

*Have Admiral fairly investigated the claim and considered it in line with the policy terms?*

When notified of the claim, I'm satisfied Admiral fairly investigated the circumstances of the claim. For example, they sought to establish the steps Mrs R took when buying the car.

Admiral declined this claim, relying on the following exclusion:

*"5. We will not pay:*

*11. For any loss or damage if your vehicle has been seized by any Government, Public or Local Authority."*

Based on the circumstances of the loss, I'm satisfied that Admiral can rely on this exclusion.

It's clear the car was seized by police, not 'stolen' or damaged. I've not found that any other part of Mrs R's cover needs to respond to this claim. This is because there hasn't been an insured event covered by the policy that led to Mrs R losing the car. Therefore, in the specific circumstances of this claim, Admiral don't have to indemnify Mrs R for the police seizing her car - even where Mrs R purchased the car in good faith, believing it to be a genuine purchase. I appreciate this will be extremely disappointing news for Mrs R.

I've also considered the service provided by Admiral when this claim was made, but I've not found any failings to the extent that I'll be directing Admiral to do anything further. It was positive that they:

- refunded the policy premiums with no impact on Mrs R's no claims bonus;
- ensured no adverse information was recorded on Mrs R's record or anything she'd need to declare to future insurers; and
- provided information/sign posted alternative avenues Mrs R might be able to explore.

*Other points raised by Mrs R*

Mrs R has argued that a 2006 article from our website means this complaint should be upheld.

I've carefully considered Mrs R's points, but they don't materially affect the outcome of her complaint. I say this because our approaches to many different types of complaints may evolve or change over time. The article referred to is from nearly 20 years ago. The published articles are for transparency and archive reasons. Crucially, the article Mrs R refers to is in relation to a 'cloned car' being stolen – not seized by authorities, as was the case here.

I'm satisfied that I've fairly applied our Service's current approach to this type of complaint when reaching my decision.

My decision will of course disappoint Mrs R - but it brings to an end our involvement in trying to informally resolve her dispute with Admiral.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 18 March 2024.

Daniel O'Shea  
**Ombudsman**