

The complaint

Mr D complains that Watford Insurance Company Europe Limited unfairly declined a claim he made on his motor insurance policy.

What happened

Mr D held a motor insurance policy with Watford. Part way through the policy he changed the vehicle insured after purchasing a different van. Shortly after purchasing the van, it was stolen, so, Mr D made a claim to Watford for the loss.

Watford declined the claim. It said the vehicle Mr D purchased wasn't what he thought it was and was in fact a cloned vehicle – a vehicle made to look like another, usually because it's been stolen. It said because of this, Mr D didn't have an insurable interest in the car.

Mr D complained. He didn't think this was fair. He said he did all he reasonably could have done to make sure the vehicle was genuine before purchasing it in cash.

Watford didn't change its stance, so, Mr D brought his complaint to us. One of our Investigators ultimately didn't think it should be upheld. She agreed that Mr D didn't have an insurable interest in the van, so didn't think Watford needed to pay his claim.

Mr D remained unhappy and asked for an Ombudsman's decision, so, the case has come to me.

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 not upholding this complaint. I understand Mr D will be extremely unhappy with this, I can see why because he's lost a considerable amount of money. But, as I'll explain below, his loss isn't something his policy with Watford covers him for, so it need not pay his claim.

- The van Mr D thought he was buying, and the van Watford insured is owned by someone else. That van wasn't actually stolen. Mr D has no insurable interest in that van because he's not the owner or registered keeper of it.
- The van Mr D bought, which was stolen from him was a cloned vehicle. This means it was another vehicle which had had its details amended illegally to make it look like the vehicle Mr D thought he was purchasing. This is usually done because the vehicle has been stolen previously. What this means is that the van he purchased was never rightfully his.
- I appreciate Mr D did all he could to check the van he was purchasing was genuine. I believe he had no idea the van he was purchasing was cloned and most likely a stolen vehicle. But when he completed the checks, he would have been checking the

details of the original van, not the cloned one he actually bought – so these checks wouldn't have brought up anything suspicious.

- This leaves Mr D in an awful position, one I'm very sorry that he's in. But because the vehicle that was stolen wasn't the vehicle Watford were insuring, he never had any insurable interest in the vehicle that was stolen from him. Therefore, Watford need not pay for its loss under his policy with it.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 7 June 2024.

Joe Thornley
Ombudsman