

The complaint

Mr R has complained about Amtrust Europe Limited's decision to reject a claim he made for the theft of his caravan. Mr R made a claim under his caravan insurance policy.

What happened

Mr R advertised his caravan for sale. In January 2023 a buyer came to look at the caravan and a sale was agreed. The buyer showed Mr R his mobile phone which seemed to show a payment from his bank had been successfully made for the funds. Mr R says he called his bank to check if the funds had reached his account. He says the bank told him it could take up to 48 hours for the funds to show in his account. The buyer said they had a long journey home - and so with the information available to Mr R, he made the decision to release the caravan.

Mr R didn't receive the funds and so he called the buyer. He says the buyer who told him the transfer had bounced back to their account, but they wouldn't be transferring the money to Mr R.

Mr R reported the theft to the police. He's provided a copy of the outcome letter from the police which says it has closed its file. He made a claim for the theft of his caravan to his insurer, Amtrust.

Amtrust declined Mr R's claim. It applied an exclusion under the policy for 'theft by deception'. It said the circumstances of the theft meant Amtrust didn't provide cover for Mr R's claim.

Mr R asked us to look at his complaint.

Our Investigator recommended the complaint should be upheld. She said that in this case it appears Mr R was a victim of a scam whereby a screenshot is used to deceive sellers into believing money has been transferred to their account. Given that Mr R was advised by his bank that it could take time for the funds to appear, she didn't think Mr R could have done more. She didn't think Mr R had acted in a reckless way and the transfer of funds appeared to have been genuinely proven to him. Mr R provided a picture of the buyer's phone showing the screenshot which he relied on before releasing the caravan.

The Investigator recommended Amtrust consider the claim (under the remaining terms and conditions) and pay Mr R £150 compensation for the distress and inconvenience caused by its repudiation decision.

Amtrust didn't agree. It accepts that Mr R has been the victim of a scam. But it says he could have done more. Amtrust says Mr R should have waited until the funds were showing in his account before releasing the caravan, rather than feeling pressurised into doing so beforehand.

Amtrust wanted an ombudsman to decide.

The Investigator let Mr R know of Amtrust's response, which he acknowledged.

I issued a provisional decision on 29 February 2024. I didn't intend to uphold the complaint.

Amtrust acknowledged receipt of my provisional decision. Mr R didn't reply.

So the case has been passed back 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.

My final decision is the same as my provisional decision as I haven't received any new information.

There seems to be no doubt that Mr R has been a victim of a theft by deception. I'm very sorry that this has happened. I have taken an even handed and impartial view on whether Amtrust has acted unreasonably in declining the claim. Having done so, I think Amtrust has reasonably applied the exclusion under the terms of the policy, which means it doesn't provide cover for a theft in the circumstances described by Mr R.

I think Amtrust's view that Mr R should have made sure the money had arrived in his bank account before allowing the buyer (thief) to drive away is a fair and reasonable one. By not doing so, I think Mr R failed to take reasonable steps to keep his caravan safe. It therefore follows that I think Amtrust's decision to decline the claim was fair. The exclusion Amtrust is relying on to decline the claim says:

"We will not pay for loss or damage caused by:

Deception, unless deception is used only to gain access or entry to the Caravan;"

So, in line with our approach for cases in similar circumstances, I'm not upholding this complaint.

My final decision

I'm sorry to disappoint Mr R. But for the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 30 April 2024.

Geraldine Newbold
Ombudsman