

## The complaint

Mr and Mrs M complained that UK Insurance Limited trading as Direct Line ('UKI') declined a claim under their home insurance policy following a theft.

## What happened

Mr and Mrs M reported to UKI that there had been a theft from their home in the early hours of a date at the beginning of December 2022, and that several expensive items of jewellery had been stolen.

UKI considered that Mr and Mrs M had breached the terms and conditions of their policy in relation to fraudulent, false, or exaggerated claims, and declined their claim. Mr and Mrs M then complained to UKI about its decision, however UKI maintained its stance. Mr and Mrs M were unhappy with the outcome and referred their complaint to this service.

The relevant investigator didn't uphold Mr and Mrs M's complaint. She considered that UKI's interpretation of the policy terms had been fair and reasonable and that UKI was therefore entitled to decline the claim, keep any premiums, and cancel the policy.

Mr and Mrs M were unhappy with the outcome of their complaint. The matter was therefore referred to me to make a final decision in my role as Ombudsman.

## 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.

In determining this matter, I've also considered the submissions of the parties as summarised below. The key issue for me to determine is whether UKI acted in a fair and reasonable manner in declining Mr and Mrs M's claim. Having considered the relevant terms and conditions of the policy, I've concluded that it did so. I'll explain why.

I firstly turn to Mr M's submission as recorded in a witness statement. He recounted the incident when he'd been awoken in the night. When he went outside to confront imposters, he was grabbed by one individual and threatened with what he thought was a knife. He was then accompanied by the individual into the house and to a safe in the property. The intruder took everything from the safe, as well as items which Mr M was wearing at the time. Mr M telephoned the police who attended, and he was given a crime reference number.

Mr M subsequently noted down what had been taken and he submitted a claim to UKI and gave full details to UKI's loss adjuster. He said that the loss adjuster confirmed that all the items which had been stolen were covered by the insurance policy. He also managed to obtain a recording from a neighbour's security camera and said that it appeared to show that a further individual was involved. Mr M said that he'd been devastated that UKI rejected his claim and cancelled his home insurance policy, *'as it was the last thing that I had expected'*. He then provided a response to apparent inconsistencies in versions of events to which UKI had referred and said that his descriptions of events had been entirely consistent.

Mr M provided evidence from previous owners of some of the jewellery items which confirmed that they no longer owned the items, despite initially saying that they still had the items. Mr M said that; *'Save for the three rings which were previously in the possession of [previous owners], there is nothing to say that all the other items listed had not been stolen'*. He felt that UKI couldn't support its contention that his claim was false. Nevertheless, he was willing to forgo a claim for reimbursement for the three gold rings if he was reimbursed for everything else. He still maintained that the rings were stolen, but he recognised that the initial response given by the previous owner had confused the situation; *'and has allowed UKI an opportunity to challenge my claim'*.

Mr M said that he had children in the house with him at the time of the incident and was *'obviously concerned about what could have happened to them'*. He therefore felt that an allowance had to be made for the fact that he was still in shock when he gave his first account, and that it might therefore have differed slightly from an account several weeks later when he'd; *'had a chance to recover and think through everything that happened'*. He considered that any inconsistencies in his accounts were trivial and easily explained and not reasons to refuse his genuine claim.

Finally, Mr M submitted evidence in the form of correspondence with the police following the incident, which he said was evidence to show that the police believed that Mr M was a genuine victim of crime. He said that his neighbours would confirm that he was devastated after the robbery.

I now turn to UKI's submissions regarding this complaint. It recounted what Mr M had said and noted that Mr M had said that unknown individuals had tried to steal his wife's car. It was when Mr M confronted the individuals that he was assaulted, and an intruder forced his way into the home. Mr M had confirmed that it was his fault that they emptied the safe as, in his state of panic, he'd notified the intruders that he had children in the house and also had a safe. Initially, Mr M said that he'd suffered minor injury.

UKI provided details of several inconsistencies in Mr M's version of events. These included the reasons for Mr M being awoken, how and where he first noticed that individuals were shining a light near to his wife's car, the number of intruders, the extent of any injury, as well as the timing and circumstances of the events which followed. It said, *'Whilst we can allow for small elements of the circumstances to change when recollecting an event, we would generally expect the core elements to remain consistent.'* UKI also expressed concerns about actions taken by Mr M during what would have been a traumatic and chaotic event.

UKI noted that Mr and Mrs M had two safes in the property, one on the first floor which had lower value items in it, and one on the second floor which had higher value items. This was located between bedrooms in which children were sleeping at the time of the incident. Mr M took the intruders to the second floor safe and explained to UKI that he forgot that he had a safe on the first floor. UKI considered that if, as Mr M had informed them, the intention was to take the car, it seemed illogical that the intruders didn't follow through with this or ask for keys. Mr M had informed UKI that the family dog was barking both prior to and during the incident and it considered that this would have brought unwanted attention to any illegal activity. UKI also questioned why Mr M approached the thieves in the first instance rather than immediately calling the police.

Finally, UKI referenced the doorbell camera footage which had been obtained from neighbours. It considered that the coverage wasn't consistent with Mr M's account of the event. The mention of a fourth individual was added by Mr M following his own review of the footage. The audio coverage was clear but didn't match the description given by Mr M of continuous barking, or of any altercation. UKI also identified concerns with the documents

that Mr M provided in support of his claim. This included a valuation for three rings in the name of a previous owner who initially confirmed she was still in possession of the items.

In conclusion, UKI wasn't satisfied that the loss had occurred as stated by Mr M or that the items had been stolen. It was UKI's view that Mr M had staged the claim to obtain a financial gain to which he wasn't entitled and that this constituted fraud.

I now turn to the reasons for my decision. The starting point in cases like this will be the wording of the terms and conditions of the relevant home insurance policy. In this case, under the heading '*Fraud*', in the General Conditions section, it states: '*You must be honest in your dealings with us at all times. We will not pay a claim that is in any way fraudulent, false or exaggerated. If you, any person insured under this policy or anyone acting on your behalf attempts to deceive us or knowingly makes a fraudulent, false or exaggerated claim: your policy may be cancelled, we may reject your claim and any subsequent claims, we may keep any premium you have paid.*'

I must consider whether UKI applied the policy wording in a fair and reasonable manner in declining Mr and Mrs M's claim and in cancelling their insurance policy. It's clear that UKI had significant concerns about the circumstances surrounding the theft in this case, and it wasn't satisfied that the available evidence showed that the loss had occurred in the manner described by Mr M, or that all the items in question had been stolen. In all the circumstances, I can't say that these concerns were unfounded or unreasonable. Nor can I say that UKI unfairly or unreasonably interpreted and invoked the terms of the policy.

Firstly, I note that there had been a number of inconsistencies within the various accounts of the events as described by Mr M to UKI, its loss adjuster and the police. Whilst a small number of minor inconsistencies relating to a traumatic event may be understandable, in this case there were a range and number of inconsistencies. When taken together, these created significant doubt as to the veracity of Mr M's account.

The evidence to support ownership and value of certain items which were alleged to have been stolen was extremely questionable. Mr M himself conceded that due to this, he was willing to forego his claim in relation to three gold rings, even though the previous owner appeared to have retracted the claim that they still had the items. In addition, the valuation provided for a particularly expensive item was undated, and the identity of the appraiser was unclear. The veracity of this evidence is therefore in doubt, particularly in view of a number of previous insurance claims made by Mr and Mrs M in relation to their jewellery. It appears that Mr M said that an insurance claim was made on the suggestion of the police, however it now appears that it was Mr M who informed the police of his intention to make such a claim.

There are also elements of Mr M's account which are extremely unusual and aren't borne out by the available evidence. The doorbell recordings don't support his version of events. It is also understandable that UKI would question why the car, which was apparently the initial target for theft was then ignored by the thieves. Mr M's decision to 'escort' or be dragged to a safe near to the children's bedrooms doesn't ring true, and nor does the fact that the children weren't awoken by what would have been a very significant disturbance. In summary, Mr M's account or significant parts of his account aren't credible or plausible.

In conclusion, I consider that UKI acted in a fair and reasonable manner in this case in invoking the general conditions of the policy relating to fraud, and in then declining Mr and Mrs M's claim. I don't require it to do anything else in response to this complaint.

**My final decision**

For the reasons given above, I don't intend to uphold Mr and Mrs M's complaint and I don't require UK Insurance to do any more in response to their complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 3 July 2024.

Claire Jones  
**Ombudsman**