

The complaint

Mr C complains about how esure Insurance Limited handled his claim under his key cover insurance policy.

What happened

Mr C says his car key stopped working in October 2023. He made a claim for this on his motor policy with esure, which included key replacement cover. An agent was appointed by esure to look at the key, but they said the fault was likely due to wear and tear. So esure concluded the key wouldn't be covered under the policy due to an exclusion.

Mr C didn't think this was fair, he raised a complaint with esure and said he'd added key cover as an optional extra and wasn't getting the cover he'd paid for. He was also unhappy with esure's handling of the claim and their delays in responding to him. When esure responded to the complaint they maintained the claim was excluded due to wear and tear but awarded £75 for delays in the claim's process.

Unhappy with esure's response, Mr C brought the complaint to this Service. Our Investigator looked at what happened but recommended the complaint shouldn't be upheld. Our Investigator said as there was no obvious cause for the key malfunctioning, he thought it was fair that esure concluded the damage was likely due to wear and tear.

Mr C didn't agree with our Investigator's view, so the complaint has been passed 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.

Having done so, I'm not persuaded Mr C has evidenced the claim as required under the policy – I'll explain why.

Mr C's policy covers him for a replacement key in the event of loss or accidental damage. As with any insurance claim, the onus is on a policyholder to show there is a claim which is covered under the policy. This means Mr C would need to initially show that his key was either lost, or accidentally damaged. And esure would then be required to meet the claim under the terms and provide cover, unless they can show an exclusion applies.

The exclusion esure has relied on says it won't provide cover for:

“Any claims for damage to your car/garage keys where the cause is due to wear and tear.”

The exclusion was applied as the inspection of the key reported nothing had happened to the key to cause the issue that Mr C was aware of. The agent esure appointed said the key hadn't been dropped or crushed or sustained any water damage. They concluded there was

no insured event and advised the claim would be declined due to the wear and tear exclusion.

Our Investigator said that without an identified cause for the key malfunctioning, he thought it was fair for esure to conclude the fault was due to wear and tear. I can see Mr C initially responded to our Investigator's view and said he acknowledged that the key was probably not subject to accidental damage; but felt the policy should respond in any event. Mr C said this was because whilst there was nothing obvious he could recall about damaging the key, he may have dropped the key inadvertently which could have resulted in damage. Mr C also said the key was only six years old at the time of the claim, and electronic keys would be expected to last over ten years with normal use.

Our Investigator didn't change the recommendation he'd reached previously and said as Mr C couldn't evidence an insured event damaged the key, he felt esure's decline of the claim remained fair.

Mr C later replied to explain he had dropped the key originally and provided a photo. I've looked at this as well as considered Mr C's further representation. However, the picture wasn't taken at the time of loss and I think it's more likely than not Mr C would have raised this with esure originally and with this Service when he complained if the key was dropped as he says.

Because I can't be satisfied the event Mr C has raised occurred at the time of loss, it follows I'm satisfied Mr C can't show an insured event has occurred which the policy covers.

As the only evidence from when the key was inspected concludes it was likely malfunctioning due to wear and tear, I think this is more persuasive evidence. This means I think esure has fairly declined the claim due to the wear and tear exclusion.

My final decision

For the reasons given above, I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 29 October 2024.



Stephen Howard
Ombudsman