

The complaint

Mr W is unhappy his claim for theft was declined under his motor policy with Admiral Insurance (Gibraltar) Limited ("Admiral").

What happened

Mr W signed a contract with a third-party organisation (X) to sell his car. Mr W agreed a sale price with X, who as part of the agreement were entitled to sell Mr W's car at a higher price.

Mr W left his car with X and one set of keys. He kept a set of keys himself, the logbook and service record. Mr W became aware that the Police had enforced a closure order on X, but Mr W's car wasn't on the forecourt at X's property at this time. Mr W hadn't received any funds for his car but has been informed the car has had a new logbook issued and has an insured driver.

As Mr W no longer had his car, or had received funds for his car, he raised a claim for theft with Admiral. Admiral reviewed what happened but decided to decline the claim as it didn't think it was covered by the policy. Admiral didn't think the car was stolen as Mr W had freely handed the car over with the keys to a third party. Admiral agreed Mr W hadn't received the sale proceeds for the car, but said this wasn't covered by the policy.

Our investigator decided not to uphold the complaint. She thought Admiral had reasonably applied the terms and conditions of the policy and reached a fair decision in declining the claim. Mr W disagreed, so the case has been referred to an 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.

I appreciate the difficulty Mr W is having coming to terms with facing such a significant financial loss and this is perhaps heightened as he's aware of insurers accepting claims in similar circumstances. In reviewing this complaint, I can only look at the actions Admiral has carried out are fair and check it has reasonably applied the terms and conditions of its policy.

It's not relevant what other insurers have done, as every policy is different – insurers offer policies based on different levels of cover, which all carry a different level of risk for the insurer. The insurer makes a commercial decision on what risk it is willing to take and charges the customer a price for that risk. Mr W said he bought his policy on a comparison website, so he would've had chance to have compared policies with different insurers at vastly different prices.

I've considered why Admiral declined the claim. Admiral said its policy covers theft but has set out exceptions and conditions that apply to its policy.

Firstly, Admiral has said Mr W has acknowledged his car was sold, so Admiral said the vehicle wasn't stolen, but the proceeds of the vehicle weren't received. Admiral said this isn't an insured peril in the policy.

Admiral doesn't cover theft claims where *"any loss, damage or liability directly or indirectly caused or contributed by an agreement you have made under another contract"*.

Admiral has pointed out that Mr W entered into an agreement with X to sell his vehicle, which it said is a breach of the contract of insurance as the loss happened whilst an agreement had been made under another contract. I think Admiral has been fair in concluding this, given Mr W has explained to our service the contract he agreed with X.

Admiral only covers theft claims where the owner takes *"care of your vehicle"*. The policy states "You must remove and secure any keys or device that allows access to your vehicle; if it is less unoccupied"

Admiral said by handing over the keys to X, Mr W failed to protect the loss by securing the key. So, Admiral said Mr W was in breach of the general conditions of the policy. I can't say Admiral have been unfair in stating this as these are the terms and conditions of the policy.

Mr W has stated he didn't read the policy as he'd bought a *"gold standard"* insurance policy and it should cover him for every eventuality. Unfortunately, as I've set out already policies will rarely cover someone for every circumstance, doing so would be very expensive. Insurers put limitations in the policy to reduce the risk and keep prices affordable. Admiral sent the policy documents to Mr W and in the welcome covering letter asked him to check the details. It's not Admiral's fault if Mr W chose not to check the policy was suitable for him.

However, as Admiral has demonstrated Mr W was in breach of its policy terms, I think it has been fair to decline the claim. I've considered what Mr W said that his car was effectively stolen when he handed the keys over. In other words, he thinks he was deceived. Having checked the policy and common with most policies, Mr W also wouldn't be covered in here as the policy has an exclusion *"for loss to your vehicle, where possession of it is gained by deception"*.

So, I don't think there is another way Admiral could cover this claim. So, I don't uphold the complaint, the unfortunate circumstances here weren't caused by Admiral. It has applied the policy fairly.

My final decision

My final decision is that I don't uphold this complaint. I don't require Admiral Insurance (Gibraltar) Limited to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 November 2024.

Pete Averill
Ombudsman