

The complaint

Mr W has complained that Admiral Insurance (Gibraltar) Limited unfairly declined a theft claim under his home insurance policy.

What happened

Mr W had a home insurance policy with Admiral which came to an end on 21 June 2023.

On 1 November 2023 he discovered that his bike had been stolen from the communal bike storage area outside his home. Up to then the bike had been secured in a bike rack. Mr W said he hadn't checked the bike for about a year as he hadn't been well.

Mr W had no other insurance between 22 June and 1 November 2023 which might have covered the loss.

Although Mr W couldn't prove that the loss had happened while he was covered by his policy, at first Admiral accepted the claim. Mr W said he started to spend more freely in reliance on the acceptance of his claim. A few months later Admiral changed its decision on the basis that Mr W couldn't show the theft had happened during the period of cover with it.

After Mr W complained, Admiral apologised for giving him conflicting information about his claim and paid him £100 compensation for that. It didn't change its decision to decline the claim.

Mr W brought his complaint to this service. I issued a provisional decision explaining why I was minded to uphold the complaint. An extract from my preliminary findings is set out below:

"When declining the claim, Admiral relied on Mr W's obligation under the policy when making a claim to provide (amongst other things) information on the date and time of the incident that caused the loss or damage, and details of that incident. It doesn't appear to be in dispute that the bike had been stored in accordance with the terms of the policy and that it had actually been stolen.

As with all policy terms I'd expect Admiral to apply them reasonably and not just refuse a claim because a policyholder can't comply with a technicality.

In all cases we deal with, we need to try to establish what is more likely to have happened on the balance of probabilities, based on the available evidence. So in this case I need to establish whether Mr W has shown it's more likely than not that his bike was stolen while he was still covered by his policy with Admiral.

I understand Admiral's concern that the loss could have happened in the four months or so after the policy expired. In my view Mr W has provided a reasonable explanation why he didn't check on the bike before 1 November 2023. So the loss could have occurred at any time in the year leading up to 1 November 2023. As the policy ended more than halfway

through that period, I think Mr W has shown that it's more likely than not that the bike was stolen while he was covered by his policy for the loss.

In conclusion I provisionally think the bike was stolen at a time and on a date unknown but more likely than not before the policy expired. To put things right I think Admiral should deal with the claim subject to the remaining policy terms and add interest to any cash settlement it makes."

Admiral accepted my provisional findings. Mr W had no further comments.

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.

As neither party objected to my provisional findings, I see no reason to change them and they now form part of this final decision.

Putting things right

To put things right I think Admiral should:

- deal with Mr W's claim in line with the remaining policy terms; and
- add interest at the annual rate of 8% simple to any cash settlement payable, calculated from the date of the claim to the date of settlement.

My final decision

For the reasons set out above, I uphold this complaint and require Admiral Insurance (Gibraltar) Limited to put things right as set out above.

If it considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr W how much it's taken off. It should also give Mr W a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

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

Elizabeth Grant
Ombudsman