

The complaint

Mrs P complains that Liverpool Victoria Insurance Company (LV) unfairly declined her theft claim under her motor insurance policy.

Mrs P's husband is a named driver on the policy and has also made submissions throughout the claim and complaint.

What happened

Mrs P's car was stolen in early September 2023. She contacted LV to make a claim for the theft. LV considered the claim but ultimately declined it. They said Mrs P had likely left the keys in or around the car and therefore a policy condition applied which excluded cover.

Mrs P thought this was unfair and complained to LV, who spoke to Mr P, the last driver of the car. He said he didn't recall specifically locking the car because he said this was a reflexive action when leaving the car. And he felt LV had relied on a number of assumptions in order to turn down the claim.

Mr P said it was most likely the keys had been dropped between exiting the car and returning home – which he said should be treated as an accident and not a situation where he had recklessly left the keys somewhere. LV didn't uphold the complaint – they maintained Mrs P hadn't taken care to prevent loss due to theft by likely leaving the keys in or around the car.

Mrs P thought this was unfair and brought her complaint to this Service. An Investigator looked at what happened but didn't recommend the complaint be upheld. He thought LV had fairly declined the claim in line with the policy condition.

Mrs P disagreed, so the case has been passed to me to decide.

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've read and carefully considered everything LV and Mrs P have said. However, my findings focus on what I consider to be the central issues, and not all the points raised.

The crux of this complaint centres on LV's decision to decline Mrs P's claim. The relevant rules and industry guidance say that LV have a responsibility to handle claims promptly and fairly and they shouldn't reject a claim unreasonably.

I note there is no dispute the theft of the vehicle took place. The question is whether I think LV have applied the terms of the policy in a fair and reasonable manner when declining the claim.

The general condition LV has relied on says they won't cover:

“loss or damage to your car by theft or attempted theft if: - you not taking care to protect your car...”

...Section 12 General conditions:

1. Care of your car

ignition device — you must always close windows and sun-roofs. lock your doors and take your ignition device with you when you leave your car unattended”.

The starting point here is Mr P's testimony around whether he complied with this condition. I've considered the call he made to LV to report the claim and he explains he arrived home, removed items from the boot of the car and entered the house. Mr P is asked whether he left the car unlocked and he replied that he "doubts it". Mr P says also says he wasn't willing to speculate around whether the keys were left in the car or not, but says it is a reflexive action to lock the car when leaving it.

I understand the car does not have keyless entry, but the key does not have to be inserted into the dashboard to start the engine. Mr P's testimony says the key was in his pocket when he last drove. Mr P says he doesn't think it's credible that the keys were left in the car or that the car was not locked as he would have had them on him when he exited the car. He says it's more likely he dropped the keys between leaving the car and returning home.

It was established the keys weren't taken from Mrs P house through the letterbox or that the car was stolen using a relay theft device. That's because Mrs P has a video doorbell installed which she says would have picked up anyone approaching the front door. So, the question becomes what is more likely to have happened; the keys being left in the car, or Mr P dropping them after locking the car and returning back to his home.

It's difficult to know now exactly what happened on the night. I agree with Mr P that in situations where a person is carrying out everyday tasks, it can be difficult to recall small events or actions. So, I understand why he isn't able to definitively say whether he remembers locking the car or not. In situations like this, where the evidence is incomplete or contradictory, I'll need to make my decision on the balance of probabilities. That is, what I think is more likely than not to have happened, given the evidence which is available and the wider circumstances of the complaint.

I note Mr P says LV have relied on a number of assumptions in order to turn down cover. But having reviewed his testimony, I note he also relies on assumptions in order to explain what happened on that night. He says he's not willing to speculate on whether he left the keys in the car or not – and can only explain what he remembers doing; which was to exit the car, remove items from the boot of the car, and then return to his home.

On the balance of probabilities, and having considered Mr P's testimony, I think it's more likely than not the keys weren't taken with him when the car was left unattended. I'm not persuaded the keys were dropped in the short distance between the parked car and Mrs P's home, as I think Mr P would likely have been alerted to this.

As the car was stolen using the keys, I find that LV have demonstrated the keys weren't removed from the car when it was left unattended. And I'm ultimately satisfied that applying the policy term as LV has produces a fair and reasonable outcome in this particular case.

My final decision

For the reasons given above, I do not uphold this complaint. This means I don't require Liverpool Victoria Insurance Company Limited to do anything more than they already have.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 5 December 2024.

Stephen Howard

Ombudsman