

The complaint

Mr K complains about how Wakam dealt with a claim on his motor insurance. References to Wakam include other organisations and individuals acting on its behalf.

What happened

Mr K had motor insurance underwritten by Wakam. He reported his car stolen and made a claim on his insurance policy. The police were able to recover his car.

When the police had finished their forensic inspection of the car, Wakam arranged for it to be collected by a storage company. The storage company provided photographs of the car to Wakam, which Wakam's engineer said showed that the only damage to the car had been a scratch to the offside front bumper. Wakam advised Mr K of this and said he could collect the car and decide if he wanted to make a claim for the damage.

Mr K collected the car from the storage company. A few days after he collected it he contacted Wakam and said there was a lot of damage to the interior and that the nearside was scratched and the nearside wing mirror broken. Mr K said the car was a total loss. The car was inspected by Wakam's approved repairer. Mr K then provided what he said was the cost for the repairs to his car from the approved repairer, and said the repairer had confirmed the car was a total loss. However the repairer provided an estimate to Wakam which showed the car could be economically repaired.

Wakam also contacted the police who confirmed that only minor external damage was recorded, with a few scratches on the body and the left side wing mirror was broken. No internal damage was observed.

Wakam took advice from its in-house engineer, refused to pay the claim and cancelled Mr K's insurance policy. Wakam wrote to Mr K saying:

"Based on our investigations, it appears you made an attempt to submit a false claim with the intention of defrauding us. This serves as notice that your policy will be cancelled within the next 10 days as a result."

Mr K wasn't happy about this and complained to Wakam. Wakam said it had been provided with photographic evidence of the condition of the vehicle when at the storage company as well as signed documents from Mr K confirming the condition of the vehicle. Wakam said the evidence suggested any additional damage occurred after Mr K took possession of the vehicle.

After he received Wakam's letter, Mr K said he would be prepared to exclude the damage to the dashboard and gearstick from his claim, but would expect to receive a settlement for the other damage. Wakam replied saying its stance remained unchanged.

Mr K wasn't happy with what Wakam said and the time it took to deal with the claim, and complained to this service. Our investigator didn't uphold his complaint. She said Wakam provided the evidence it had relied on and she was satisfied that it was reasonable for

Wakam to make the decision to repudiate the claim and cancel the policy in accordance with the policy terms and conditions. She said the claim notes show Wakam looked into the claims Mr K made concerning the damage to the car and contacted the relevant third parties to determine what could have happened - and this is what she would have expected them to do in the circumstances. The investigator also said she couldn't see any unnecessary delays caused by Wakam.

Mr K didn't agree with what the investigator said and so his complaint has been passed to me. Mr K wants Wakam to pay for the repairs to the exterior of his car.

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 don't uphold Mr K's complaint. I'll explain why.

First of all it's important to note that it's not my role to decide whether or not Mr K made a claim that might have been in any way fraudulent. My role is to decide whether Wakam dealt with the claim in a fair and reasonable way based on the information that was available to it.

Mr K's insurance policy documents with Wakam said:

"Fraud

No-one likes being lied to. Aside from hurting our feelings, fraud is also a criminal offence.

If you, or anyone else acting on your behalf, either (i) provides any false or fraudulent information to us/Wakam in relation to the policy, or (ii) makes any claim under the policy knowing it to be false, fraudulently inflated, or supported by fraudulent documents or facts, then we/Wakam may do any or all of the following:

- 1. Decline the claim and treat the policy as being terminated from the date of the fraud;*
- 2. Keep any premium which would otherwise have been returned to you for any unexpired period on the policy.*
- 3. Pass any details to any fraud prevention and/or law enforcement agencies, including but not limited to the Police."*

And:

"Circumstances where Wakam may cancel the policy...

Wakam may be entitled to cancel the policy...if there is a good reason for doing so.

Some examples of situations where Wakam would have a good reason for cancelling the policy include (but are not limited to):

...5. We identify fraud or any attempt to gain any unfair advantage under this policy."

I have seen copies of photographs of Mr K's car taken by the storage company and those later provided to Wakam by Mr K. There is interior damage to the car in Mr K's photographs which isn't visible in the storage company's photographs of the car's interior.

I have also seen a copy of the release form Mr K signed when he collected the car from the

storage company. It says:

"I can confirm that I have taken possession of the above vehicle on the date stated above.

By signing this form, I agree that any issues with the vehicle will be brought to the attention of the facility management prior to leaving the facility, confirmation of which will be a receipt of a complaint reference number. I understand that this is not an admission of liability but rather acknowledgement that an issue has been raised and that an investigation will be undertaken.

I acknowledge that [storage company] shall not be liable for any additional damage not raised prior to me removing the vehicle from the facility. I confirm that I have inspected the vehicle thoroughly and to my satisfaction before leaving the facility."

I note that Mr K didn't bring any issues with the car to the attention of the storage company.

So on balance I think it was fair and reasonable and in line with the policy terms and conditions for Wakam to repudiate Mr K's claim and cancel his policy.

It did take a little while to deal with the claim but considering that the car was with the police for some time, and then Wakam needed to carry out its own investigation, I don't think the time taken was unreasonable. There were some errors, mainly to do with dates, in the repudiation letter and the letter Wakam sent to Mr K in response to his complaint which it later acknowledged. However I don't consider that these errors were material or should change the outcome in any way.

My final decision

For the reasons given above I don't uphold Mr K's complaint, so I won't be asking Wakam to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 27 January 2025.

Sarah Baalham
Ombudsman