

The complaint

Mrs P has complained about Covea Insurance plc. She isn't happy that it declined her claim under her motor insurance policy following the theft of her car.

What happened

I looked at this case and provided my initial thoughts in my provisional decision as follows -

Mrs P's prestigious car was stolen from her home address and so she made a claim under her insurance policy. But Covea turned down the claim as she didn't have an active tracker on her car which was a requirement of her insurance policy. She complained to Covea about this as she didn't feel the decline of her claim was fair or that the wording of the policy was clear.

When she complained to Covea it said again that the endorsement was a requirement of the policy but as Mrs P remained unhappy she complained to this Service.

Our Investigator looked into things for Mrs P and upheld her complaint. Although she could understand Covea's position she didn't think the wording of the endorsement was clear enough to clearly show Mrs P what was required. She also thought the car would have been stolen in any event. She highlighted that Mrs P's neighbour's car was stolen around the same time and it had the same tracker, with an active prescription, yet it was still stolen. And Mrs P's car had a separate tracker on the car, yet it was still stolen. So, she thought Covea should reconsider the claim in line with the remaining terms and conditions of the policy and pay some of the costs Mrs P incurred. Plus, she thought it should pay £300 by way of compensation for the enormous strain this has placed on Mrs P as she has been without her car, and this has impacted her mental health.

As Covea didn't agree the matter has been passed to me for review.

What I've provisionally 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.

While I can understand Covea's position and the need to comply with the endorsement I think this complaint should be upheld. I'll explain why.

I'd like to reassure both sides that whilst I'm aware I may have condensed some of the complaint points in far less detail and in my own words, I've read and considered everything both sides have told us. I'm satisfied I've captured the essence of the complaint and I don't need to comment on every point individually, or possibly in the level of detail each side would like, in order to reach what I think is a fair outcome. This isn't meant as a discourtesy, but it simply reflects the informal nature of our Service. And I have of course taken account of the relevant law and guidance when reaching my decision.

Covea has relied on an endorsement under the policy in declining the claim which says under the 'Tracker Endorsement Category 5/S5' that '...We will not cover any loss or damage caused by theft or attempted theft of your vehicle unless

- your vehicle is fitted with a Thatcham Category 5/S5 vehicle tracking system by 05-11-2022 and

- the specified tracking system is activated and in full operation at the time of the theft or attempted theft.'

Covea has said that for the tracking system to be activated and in full operation it must have a working 24-hour a day location tracking service. And without a fully operational tracker Covea say they would not have insured the vehicle. Insurers often use these kinds of endorsements on very expensive cars as the risk of theft is high and the car is so expensive.

While I don't think this is unreasonable I do understand Mrs P's point that this endorsement's requirement could be clearer which would have ensured she met the condition. For example, a lot of policies refer specifically to the need to have the tracker in place alongside a relevant subscription in respect of such tracking systems.

However, what is questionable in this case is whether Mrs P's car would have been stolen in any event and so whether the tracker that was in place had any effect is debateable. It is clear that when Mrs P's car was stolen from outside her house the car had a Thatcham Tracker installed, alongside the vehicle's own tracking system, an additional AirTag, a steering lock and was fully secured. The thieves bypassed all of this and still stole the car so while the transcription package may have helped it seems likely the car would still have been stolen. The thieves removed the tracker that was on the vehicle and left it nearby and got past all the car's security systems easily.

Additionally, Mrs P's neighbour had the exact same car and that was also stolen around the same time. They witnessed the theft and reported it to the police who attended quickly but the thieves had disabled the tracker, which had an active prescription, and stole the car quickly. And the neighbour's car wasn't recovered just like Mrs P's.

I know Covea feels that what happened to Mrs P's neighbour isn't relevant and that her car simply wasn't insured. But it seems likely in this case, on balance, that Mrs P's car would have been stolen in any event and so the clause wasn't relevant. I say this as the thieves removed the steering lock, disabled the car's inbuilt tracking system, located and removed the hidden AirTag and baby seats, which had their own trackers. And they did the exact same thing to her neighbour's car, which had an active prescription, which was reported to the police at the time of theft to no avail. So, it seems likely, on balance, that the car would have been stolen in any event.

Given all of this I think the thieves would have taken Mrs P's car in any event given the sophisticated and organised nature of the gang who stole the car with or without an active prescription. And so, I agree that the fair and reasonable thing to do, in the particular circumstances of this case, is for Covea to pay the claim in line with the remaining terms and conditions of the policy.

It should also pay Mrs P the taxi expenses she incurred during the 30-day period she was due a courtesy car under the policy (subject to reasonable proof) plus simple interest. And pay £300 compensation for the clear stress, worry, and stress this caused Mrs P who was without her car and the decline of the claim clearly impacted her mental health.

Replies

Mrs P replied to say she agreed with my provisional decision and said she didn't have anything further to add.

While Covea responded to say that a similar complaint made to this Service had been found in its favour. And it accepted the car *'may still have been stolen whether the tracker subscription was in place or not but I believe that is the wrong approach to this complaint.'*

It went on to say that it is entitled to undertake validation checks to confirm whether the policy holder was complying with all conditions of the policy before paying the claim. And to say it now felt Mrs P had made a misrepresentation as she hadn't kept the tracker active.

Covea said it would not have continued to offer cover if it was aware Mrs P wasn't maintaining the tracker that was clearly outlined over a number of years in the policy schedule.

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 again considered all the evidence provided by both sides and the further representations made by Covea I maintain that this complaint should be upheld. I'll explain why.

Covea has provided a view in relation to a different complaint which it feels supports its position. But, as it is aware, every complaint is considered on its own merits, and it is clear the circumstances in that case are different to this one.

As Covea has acknowledged it seems likely that Mrs P's car would have been stolen in any event in the particular circumstances of this case given her neighbours car, which was the same make and model as Mrs P's and had an active tracker was stolen around the same time as hers which makes the particular circumstances of this case distinct. And so, for the reasons outlined in my provisional decision I think this complaint should be upheld as, on balance, the theft would most likely still have occurred.

I note Covea has now suggested that Mrs P may have misrepresented by not having an active tracker on her car. But Covea didn't decline Mrs P's claim for this reason, and this hasn't been explored before and I would've expected Covea to have advanced this around the time of claim and certainly before now. But either way it hasn't provided any real information or evidence to support its position.

Given all of this I remain of the view that the fair and reasonable thing to do, in the particular circumstances of this case, is for Covea to pay the claim in line with the remaining terms and conditions of the policy. It should also pay Mrs P's taxi expenses incurred in the 30-day period she was due a courtesy car under the policy (subject to reasonable proof) plus 8% simple interest for the time she has been without the money. And £300 compensation for the inconvenience, worry, and stress caused.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require Covea Insurance plc to settle the claim in line with the remaining terms and conditions of the policy and pay Mrs P's taxi expenses incurred in the 30-day period she was due a courtesy car under the policy and £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 28 January 2025.

Colin Keegan
Ombudsman