

The complaint

Mr K complains about Ageas Insurance Limited (“Ageas”) declining a claim he made on his car insurance policy and delays in it dealing with the claim.

What happened

In January 2024 Mr K was involved in a road traffic accident with another vehicle. He contacted Ageas the following day to report the claim, but said he’d claim through the third party’s insurance policy.

The third party’s insurer declined Mr K’s claim, so he contacted Ageas again in February 2024 to ask to claim on his own policy. Ageas investigated the claim over the following months, but Mr K was unhappy with how long it was taking, so he made a complaint. In May 2024, he referred his complaint to this Service.

Ageas provided a final response in August 2024 in which it confirmed it had decided to decline Mr K’s claim because it believed it to be fraudulent. It thought two documents Mr K provided relating to his purchase of his car were false, and Mr K had also provided a false statement about the circumstances relating to his purchase of the car. It also said the delays on the claim had been due to the investigations it was carrying out to validate the claim.

Our investigator didn’t think Ageas had acted unfairly. She said, based on the evidence provided, she thought Ageas had reasonable grounds under the policy terms to decline the claim. And she didn’t think there had been unreasonable delays on the claim since the length of time it had taken was due the enquiries Ageas had needed to make to validate the claim.

Mr K didn’t agree, so the complaint was referred 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.

Having done so, while I understand Mr K will be disappointed by this, I’ve decided not to uphold the complaint. I’ll explain why.

I should start by saying while I’ve read and considered everything Mr K and Ageas have provided, I won’t be commenting on every point made. I’ll instead concentrate on what I consider are the key points I need to think about for me to reach a fair and reasonable decision. This isn’t meant as a discourtesy to either party, but instead reflects the informal nature of this Service.

Ageas declined the claim based on a policy term which says it won’t pay any claim which is fraudulent or exaggerated, or in which false or stolen documents have been provided to support the claim. Insurers are entitled under the Insurance Act 2015 to refuse to pay a claim

which is false or exaggerated. So, I don't think it's unusual or unreasonable for the policy to include a term like this.

However, fraud is a serious accusation which can cause significant detriment to a customer. And for Ageas to have fairly declined the claim, the onus is on it to show it had enough to reasonably think Mr K's claim likely was false or exaggerated. I've considered if it has shown this.

I'll now summarise my findings on what I consider are the key points:

- Mr K said he paid £157,500 for the car and part exchanged another car as part of the transaction. Initially Mr K said the part exchange value of his car was £70,000, but he later said this was £75,000 and said the previous figure he'd given was an honest mistake.
- But the seller of the car completed a witness statement saying Mr K only paid £57,500 for the car through a combination of cash and a bank transfer. The seller said there was no part exchange involved at all. While Mr K's initial breakdown of how he paid for the car may have just been an honest mistake, I don't think the same can be said for the total price Mr K paid for the car, and whether any part exchange was involved.
- Given there were significant discrepancies between what Mr K said about the sale, and what the seller said, I think it was reasonable for Ageas to ask Mr K to provide further evidence to show the total he claimed he'd paid for the car and how he'd made that payment.
- But I don't think Mr K provided enough to Ageas to clearly address its concerns and to back up what he'd said he paid for the car, and how he'd paid for it. Mr K has provided a bank statement showing a transfer of £17,500 to the seller on 14 September 2023. Mr K says he paid £65,000 cash. Which he says originated from a combination of family and friends and personal savings. Mr K said he could provide bank statements and receipts accounting for all the cash. But I don't think Mr K has provided enough to demonstrate the cash part of the sale, or where that cash came from.
- Mr K said he paid £40,000 cash for the car on the evening he bought it and says prior to this he'd paid a £25,000 deposit in cash to the seller. But the seller didn't mention any deposit in their statement. And Mr K hasn't provided evidence to show he paid this deposit, or that the seller asked for one. And I find it unusual for such a large amount of cash to have been handed over as a deposit without any documentary evidence showing this deposit was paid.
- The seller was clear in their statement that there was no part exchange. And I don't think Mr K has provided enough to show otherwise. Mr K has provided a private seller's contract completed on an AA template for the car he says was part exchanged. But Ageas didn't think this was a genuine document based on the other discrepancies in the claim. Mr K also provided part of a V5 document. But the seller was shown this partial V5 and said they hadn't seen it before. It also had a company name on it, but the seller said the few cars they'd ever bought and sold were always done privately and not as a company. And according to the independent investigator Ageas appointed, the postcode on this partial V5 was wrong for the seller's address.

- Mr K says he'd been suffering from mental health problems following the death of his best friend which he says may explain why there have been some inconsistencies in what he's said. But Mr K has been consistent throughout and has maintained the total amount he says he paid for the car and in saying there was a part exchange involved. So, I don't think this had any bearing on those two aspects of the sale. And these were significant points as to why Ageas thought the claim was fraudulent.
- Mr K says he thinks Ageas has unfairly attached weight to what the seller said. But I don't think Ageas exclusively based their decision on what the seller had to say. Ageas also took a statement from Mr K, has sought further evidence from Mr K on various points such as how he paid for the car, and appointed an independent investigator who provided it with a report which discussed various other inconsistencies with the claim aside the differing accounts of the sale between Mr K and the seller.
- In any event, unless there was a good reason for it not to, I don't think it's unreasonable Ageas took into account the seller's statement about the sale. Mr K says the seller is engaging in unlicensed trading of motor vehicles and failed to complete the DVLA transfer for the vehicle he part exchanged. But it would have been Mr K's responsibility to update the DVLA that he no longer owned the car he part exchanged rather than the seller. And other than Mr K's comments, I've seen nothing more to show the seller is an unlicensed trader or otherwise was dishonest in their testimony.

There was a significant difference between what Mr K said he'd paid for the car and what the seller said he had, and whether Mr K had part exchanged a car as part of the transaction. And I don't think Mr K provided enough to back up his version of events and substantiate how much he'd paid for the car, and how he'd paid for it. I think these points, in addition to what the seller said, led Ageas to have reasonable concerns that some of the documents Mr K had submitted weren't genuine. Based on these points, I don't think it was unreasonable for Ageas to think the claim likely was fraudulent and to decline it on this basis.

I acknowledge Mr K's dissatisfaction with how long it took Ageas to give him an answer on the claim. But ultimately, those delays were because Ageas was investigating the validity of the claim. And given the seriousness of a fraud allegation, I would not expect an insurer to decline a claim due to fraud concerns without having properly investigated the matter first.

Because I don't think Ageas had unreasonable concerns about the claim, I don't think the investigations Ageas carried out were avoidable. So, I don't think it unfairly delayed the claim.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 February 2025.

Daniel Tinkler
Ombudsman