

The complaint

Mr C complains that Liverpool Victoria Insurance Company Limited (Liverpool Victoria) unfairly declined his motor theft claim under his commercial vehicle insurance policy.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr C is a telecommunications engineer. He took out a commercial vehicle insurance policy for his vehicle. The vehicle was stolen while parked in a cordoned off public area where he was working inside a manhole, with the keys left inside the vehicle. He's unhappy that Liverpool Victoria declined his claim.

Liverpool Victoria said it wouldn't cover the claim based on the terms and conditions of Mr C's policy which excluded loss or damage arising from a theft of the vehicle while the keys were left in it.

Our Investigator looked into Mr C's complaint, but didn't think it should be upheld. He said it wasn't disputed the keys were left in an unlocked vehicle, albeit they were concealed under a jumper. He also considered the fact Mr C was working in a manhole not far from his vehicle, but he didn't think Mr C was in a position to intervene or to deter the thief. The Investigator also considered what Mr C said about the exclusion not being highlighted, but didn't think it was for Liverpool Victoria to highlight the key terms as the policy was sold by a broker. He concluded Liverpool Victoria had done enough to show the exclusion applied, and he didn't think it had acted unfairly when declining Mr C's claim.

Mr C didn't agree with our Investigator, so the complaint has been passed to me to decide. In summary he said the exclusion relied on by Liverpool Victoria hadn't been highlighted to him when he took out cover.

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, I won't be upholding this complaint. I'll explain why.

In this decision, I'll only be considering the actions of Liverpool Victoria in relation to the declined claim. I'm aware Mr C has also raised concern about the suitability of this policy based on his occupation, and the exclusion not being highlighted to him. However, the policy in question was sold through a broker, and therefore any complaint in relation to the suitability and sale of the policy needs to be raised with the broker separately. So, I won't be considering them here other than where I think Liverpool Victoria has liability.

Mr C says due to the nature of his job, he is always in close proximity to his vehicle with the keys. On the day of the theft, he had been working in a cordoned off area, in a manhole

which was around five feet away from his vehicle. The van was left open as Mr C had to go back and forth for equipment. Mr C argues that he hadn't left his vehicle 'unattended' due to his close proximity and the keys were left in the vehicle under a jumper, so they weren't visible. He believes this was a targeted theft which Liverpool Victoria should cover.

Liverpool Victoria said Mr C reported leaving his keys in the vehicle. When the theft occurred Mr C was working in a manhole, facing away from his vehicle and he did not hear or see the thief until the vehicle was being driven off. Liverpool Victoria maintained the policy specifically excludes loss or damage caused when the vehicle has been left unlocked, with the keys inside the vehicle.

The exclusion Liverpool Victoria has relied on says:

"SECTION 2 FIRE AND THEFT

What is not covered

Loss or damage caused by failure to protect the insured vehicle, (see 'Care of the Vehicle' under the **general conditions**), or if it has been left unlocked and/ or with the keys, lock transmitter, entry card or other ignition control device left in, on or in the immediate proximity of the vehicle".

The general conditions also say the following:

"Care of the Vehicle

You must always take the keys out of the ignition and remove them completely when the insured vehicle is left at any time whatsoever (regardless of whether the vehicle is still within your sight) and make sure that you do not leave belongings on display."

This is a common exclusion in motor insurance policies, and I don't find it unusual or unreasonable. But it is significant. It's good industry practice for the entity who sells an insurance policy to highlight key and significant terms of a policy. But Liverpool Victoria didn't sell the policy. The policy was sold by a broker. And any responsibility to ensure Mr C had enough information to make an informed choice, rested with them. I do however note that on page 13 of the policy document, Liverpool Victoria did give some guidance on how to protect the vehicle. I consider it reasonable for Mr C to have read the policy document in full and familiarised himself with the relevant sections.

In this decision, I've focussed on whether Liverpool Victoria's decision to decline the claim was fair.

It's not in dispute the keys were left in the vehicle, and it was unlocked. However, Mr C says they were placed on the vehicle's seat under a jumper. While I have no reason to doubt Mr C's account that they were concealed under a jumper, the policy doesn't provide cover for theft where the keys are left in the vehicle. The policy terms don't make any allowance for the exclusion not applying if they are concealed. In this case, I think it did make it easier for the thief to steal the vehicle because the keys were in the vehicle, I have explained why below. And so, I think it was reasonable for Liverpool Victoria to say the exclusion still applied.

I don't dispute that, by a strict application of the policy terms, this exclusion applies to the circumstances of the loss Mr C has explained. However, as an Ombudsman, I also need to think about whether a strict application of the exclusion produces a fair outcome in this case. And in doing so, I have thought carefully about the circumstances of this incident and

considered where the vehicle was at the time of the incident, whether Mr C was in a position to deter the thief or make the theft unlikely to take place. Although Mr C says he wasn't far from his vehicle, I'm satisfied he wasn't able to see what was happening to his vehicle from where he was working. This is also supported by his version of events when he reported the incident. In this, he said he was facing away from the vehicle, so he didn't see what happened until he heard the vehicle being driven away. I therefore don't think he was in a position to intervene or to deter the thief.

Based on the circumstances of what happened, I think it was reasonable for Liverpool Victoria to say the keys were left in an unlocked vehicle and the vehicle was left unattended while Mr C was working. And I think it's for this type of scenario that Liverpool Victoria doesn't want to cover theft of vehicles where the key is left within it.

I understand this vehicle is essential to Mr C's work and sympathise with the position he's unfortunately found himself in. However, the terms of the policy don't cover theft in these circumstances. And I don't think Liverpool Victoria has acted unfairly or unreasonably by declining Mr C's claim.

My final decision

My final decision is that I don't uphold this complaint.

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

Ankita Patel
Ombudsman