

The complaint

Mr O complains that Watford Insurance Company Europe Limited mishandled his claim on a motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a sports utility vehicle, made with a powerful diesel engine and first registered in about 2008.

Mr O acquired the vehicle and transferred a cherished registration number to it.

Mr O used a broker or intermediary to get the vehicle insured for the year from late April 2024. The cost was going to be over £2,000.00 including interest for paying by instalments to a credit provider.

The policy schedule said that the value of the vehicle was £4,000.00. Any claim for theft was subject to an excess of £460.00.

Watford was the insurance company that was responsible for dealing with any claim. Much of the complaint is about acts, omissions and communications of claims-handlers on behalf of Watford. Insofar as I hold it responsible for them, I may refer to them as acts, omissions and communications of Watford.

Section 2 of the policy covered damage or loss by fire or theft. It contained exclusions including one as follows:

“What is not covered

...

- *Loss of or damage to Your Car or its Accessories, whilst Your Car is left unattended, arising from Theft or attempted Theft when:*
 - *the ignition keys have been left in or on Your Car; or*
 - *Your Car has not been secured by means of door and boot lock; or*
 - *any window or any form of sliding or removable roof or hood have been left open or unlocked; or*
 - *Your Car is fitted with a manufacturer’s standard security device and the device is not operational or is not in use.*
 - *Alarms, immobilisers and tracking devices are not fully operational or switched on when Your Car is left unattended.”*

So the policy didn’t cover theft of a vehicle with keys in or on it.

Mr O reported that on 19 or 20 May 2024, someone had stolen the vehicle from outside his brother’s property. Watford declined to provide a courtesy car.

By about 10 June 2024, police said they had linked the vehicle to crime, chased it and – after a road traffic collision - recovered the vehicle, in a damaged state.

By early July 2024, Watford had collected the vehicle and said that it was a total loss.

By early August 2024, Watford had got consultant engineers to inspect the damaged vehicle.

On about 13 August 2024, Watford told Mr O it was declining his claim. Mr O asked for a review of that decision.

By a letter dated 14 August 2024, Watford replied, referring to the “*alleged theft*” of the vehicle.

By late August 2024, Mr O had complained to Watford.

By a final response dated 25 September 2024, Watford turned down the complaint.

Mr O brought his complaint to us in late October 2024. He asked us to direct Watford to pay his claim and to reimburse his car hire charges of about £2,700.00.

Our investigator didn't recommend that the complaint should be upheld. He thought that Watford had arrived at the correct outcome.

Mr O disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says the following:

“1. The whole ordeal has been very stressful and has placed a financial burden on me with regards to hiring a replacement vehicle which you have not commented on, the term allegedly is language that is totally unacceptable and it implies that the whole ordeal was carried out by me. The vehicle was stolen and used for crime the police chased the vehicle and the vehicle was involved in a road traffic accident how dear the insurance company use that type of language it was is very hurtful and makes me out to be the culprit totally out of order and I feel I need to be compensated for this outrageous behaviour.

2. The vehicle was recovered in [a city] and taken to [recovery agent in that city] from there the vehicle was...taken by the insurers to another location I was then charged in excess of £350.00 to have the vehicle returned to me when I could have collected it from [the city] again another example of this insurance company's behaviour and again I would like you to consider the return of this payment as the insurance company should have covered this.

3. The vehicle was recovered with a key in the vehicle ??? yet when the police located vehicle after the RTC they have stated that there were no keys in the car I have submitted a list issued by the police of items found by the police and car keys were not on that list. Getting back to the alleged situation why would I steal my own car involve the vehicle in a crime be chased by the police and crash my own vehicle ???

4. The insurance cover was taken out two weeks before this alleged incident happened. The insurance cover was cancelled a couple of days later therefore I had cover for roughly two weeks please can you explain why the insurance company were seeking a cancellation charge of £1,500 when they cancelled the policy.

As a summary I think the insurance company did not act in my best interest. I respect your decision but I feel this company acted outrageous and I think some compensation is due."

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.

Courtesy car

The policy said that Watford wouldn't provide a courtesy car if the insured vehicle was stolen or if it was declared a total loss.

Mr O reported that someone had stolen the vehicle. So Watford correctly said that it wouldn't provide a courtesy car. That remained correct when Watford said the car was a total loss.

Keys

I'm satisfied that, when he first reported the theft to Watford, Mr O said that he still had two keys for the vehicle (only one of which was working).

After Watford took possession of the damaged vehicle, its letter dated 5 July included a request that Mr O should send the keys by recorded delivery.

From images of the vehicle after Watford took possession of it, there was a key in the ignition and the dashboard was illuminated. So I find that the key worked in the ignition.

Mr O has described that key as a mystery. It was later that Mr O sent one key to Watford. He never sent a second key to Watford, saying that a washing machine had damaged it and he'd discarded it.

The engineers' evidence included an absence of damage caused by starting the vehicle without a key. Watford concluded that someone had started the vehicle using a key when taking it on 19 or 20 May 2024.

I don't consider that Watford implied that Mr O had been party to the disappearance of his vehicle or to its use in criminal activity and a road traffic collision. I have no reason to doubt that criminals stole the vehicle and Mr O had to hire another vehicle. Watford's decision not to pay his claim made him anxious about his finances.

However, I've weighed up what Mr O has said about the keys against what Watford and the engineers have said.

I don't consider that it was unfair for Watford to conclude that Mr O had left the vehicle with a key in it or on it. And the policy didn't cover theft in such circumstances. So I don't find it fair and reasonable to direct Watford to pay the claim or any compensation to Mr O.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Watford Insurance Company Europe Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 5 June 2025.

Christopher Gilbert

Ombudsman