

The complaint

Mr L has complained that Society of Lloyd's has declined a claim made under his motor insurance policy.

Mr L's policy was underwritten by certain underwriters at Lloyds – but for simplicity here I will just refer to “Lloyds”.

What happened

The background to this complaint isn't in dispute. In summary Mr L had a motor insurance policy which he took out through an independent intermediary - an insurance broker. In this decision though I am only considering the complaint about and actions of Lloyds.

Mr L went on holiday for a few days in July 2024 – he parked his car near to a friend's house. When he returned, he found that his car had been stolen. He reported this to his insurer and the police.

The insurer then investigated the theft, which included contacting the tracking company. The tracking company confirmed that there wasn't an active subscription to the tracker and as such, Lloyds declined the claim on the basis that the policy terms had been breached.

Mr L says he didn't know the tracker was part of a subscription and paid for a year subscription to the tracker after the vehicle had been stolen.

Lloyds then declined the claim on the basis of the policy endorsement which says that Lloyds will not pay a theft claim unless the insured vehicle has the required approved anti-theft device which is in operation when the vehicle is left unattended.

Unhappy Mr L referred his complaint here.

Our investigator didn't recommend that the complaint be upheld. She didn't find that Lloyds had done anything wrong. Mr L appealed. His representative made the argument that 'in operation' didn't specifically say subscribed. He said that the tracker wasn't faulty and that additional security had also been added. Mr L's representative also said that it wouldn't have made any difference whether the tracker was activated.

As no agreement has been reached the case has been passed to me to determine.

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.

Firstly I'd like to reassure Mr L that whilst I've summarised the background to this complaint, I've carefully considered all that's been said and sent to us. In this decision though I haven't commented on each point or piece of evidence rather I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. Having done so I agree with the conclusion reached by our investigator. I'll explain why:

- The relevant regulator's rules say that insurers mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms Mr L's policy, to decide whether I think Lloyds have treated Mr L fairly.
- I accept that Mr L had a tracker fitted to his car. He believed that it was fully activated, and it was only when the car was stolen he realised that this wasn't so. I do understand that the theft of his car has affected Mr L's mental health and caused him financial hardship. However it is not in dispute that the car was unattended when stolen. The subscription hadn't been paid and the tracker, I understand would have been in 'sleep mode'. I don't find it was 'in operation'.
- Insurers are entitled to decide which risks they are prepared to take. Here Lloyds didn't agree to insure Mr L's car without adding an endorsement to his policy. This is not uncommon – insurers often add such endorsements to cover for high value cars because of the greater theft risk. I find that the policy endorsement was clear: *We will not pay any theft or attempted theft claim under the "Loss of or damage to your vehicle" section unless your vehicle has a Thatcham approved anti-theft device of no less than the category number shown against this endorsement is fitted or attached and in operation when it is left unattended.* I recognise that Mr L will be disappointed by my decision, but I don't find that it was unfair or unreasonable for Lloyds to rely on the endorsement to decline Mr L's claim.
- I haven't disregarded Mr L's submission that he wasn't aware of how the tracker worked, but I don't find that Lloyds was responsible for providing this information. And I am not considering a complaint about the company that installed the tracker, only one about the actions of Lloyds.
- I'm not able to say whether had the tracker been operational the theft wouldn't have occurred. But the tracker company's website confirms the benefits of this tracker stating it protects against all known methods of vehicle theft including techniques such as 'relay theft', 'key cloning' or various means in which the vehicles' on-board computer is hacked remotely. Alerts are provided when the vehicle is deemed to be being towed away or being tampered with and this is monitored 24/7 by a team who will liaise with police in the event of theft. I can accept that the tracker wasn't faulty and that additional security had also been added to the car. But it may be that had the tracker been operational the thieves would have been deterred, or the car recovered.
- Mr L has been a victim of crime which has greatly impacted him both personally and financially. But despite my natural sympathy I can't conclude that Lloyds has treated him unfairly or contrary to his policy terms by declining his claim. Lloyds' requirement as set out in the endorsement wasn't met, and cover was provided on the basis that it would be. I note that Lloyds offered compensation for the delay in dealing with Mr L's claim. I find the sum offered was fair for the delay, which was about three months. I make no further award. I'm very sorry that my decision doesn't bring Mr L welcome news.

My final decision

For the reasons given 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 L to accept or reject my decision before 9 May 2025.

Lindsey Woloski
Ombudsman