

## The complaint

Mr M complains that AmTrust Specialty Limited declined a claim he made on his caravan insurance policy.

At the time of the events Mr M complains of, AmTrust Speciality Limited were known under its previous registered company name Amtrust Europe Limited. For clarity and ease, I'll refer to it as 'AmTrust' from now on.

## What happened

Mr M held a caravan insurance policy underwritten by AmTrust. He decided to sell the caravan and advertised it publicly for sale. After doing so, he was contacted by a company I'll call 'A', who offered to assist him in selling the caravan. Mr M agreed, and in February 2024 signed a contract authorising A to advertise the caravan for sale and act as his agent to sell it. A subsequently collected the caravan from Mr M's home and took it to their premises.

In April 2024, A wrote to Mr M saying the caravan had been sold and the proceeds of the sale would be forwarded to him a few weeks later on 5 May 2024. Mr M became concerned after receiving this letter, because he wasn't provided with a receipt for proof of sale, despite requesting one. He tried to call A several times, and visited their premises, finding it closed. So, he contacted the police.

The police informed Mr M there was an ongoing criminal investigation into A and numerous other victims had reported stolen caravans. So, Mr M contacted Amtrust to make a claim on his policy.

AmTrust investigated but decided to decline the claim. It wrote to Mr M in June 2024 saying his policy doesn't cover deception unless deception is used only to gain access or entry to the caravan. Amtrust thought deception was used to gain possession, since Mr M willingly handed over control of the caravan, along with its security devices, to A. Which it believed extended beyond deception only being used to gain access or entry.

Mr M complained about this decision, and AmTrust provided a final response in August 2024 in which it maintained its decision to decline the claim for the same reason.

Our investigator didn't think AmTrust had acted unfairly. He said the policy didn't cover all types of theft and he thought the loss hadn't happened because A used deception to access the caravan, but because A had used deception to gain custody and control of the caravan.

Because Mr M didn't agree, the complaint was referred to me to decide. I issued a provisional decision not upholding the complaint, and I said:

*"I've began by reviewing the terms of Mr M's policy. Mr M's policy covers his caravan for loss or damage caused by several specific defined events - or 'insured perils'. Examples of the insured perils that are covered are fire, storm and theft or attempted theft.*

The policy also contains several exclusions. If any exclusions are applicable to a claim, the claim will not be covered under the policy terms. AmTrust applied the following exclusion to this claim:

*“We will not pay for loss or damage caused by:*

*...*

*Deception, unless deception is used only to gain access or entry to the Caravan.”*

*So, for Mr M’s claim to have been covered, the loss must have been caused by an insured peril, and no exclusion must apply to the claim. I’ve considered whether that was the case. After reviewing the evidence, I don’t think it was unfair for AmTrust to decline the claim for the following reasons:*

- Mr M willingly signed a contract authorising A to advertise and sell the caravan for him. And afterwards he voluntarily handed the caravan over to A, who took it to its premises. A then said it had sold the caravan. And on the evidence available to me, it seems likely that it did sell the caravan in line with its contractual responsibilities. The caravan was never recovered, nor was it sighted by Mr M or AmTrust’s loss adjuster when A’s premises were visited.*
- Based on the above, I don’t think A stole the caravan. I think A sold the caravan, as it had been instructed and authorised to do by Mr M but retained the cash. So, if there was a theft, I think A stole the proceeds of the sale, not the caravan.*
- The policy terms say: “We will cover You against loss or damage to the Caravan” and list theft or attempted theft as insured perils. But since the caravan wasn’t stolen, the loss wasn’t caused by an insured peril. And although the proceeds of sale were stolen, the policy specifically only covered the caravan against loss, it did not cover the money from the sale of the caravan.*
- The policy terms contain an exclusion which says that losses or damage caused by deception aren’t covered unless deception is only used to gain access or entry to the caravan.*
- If A had never actually intended to sell the caravan but had deceived Mr M into thinking it would do so before he handed the caravan over, I think it would be fair to say the caravan would have been stolen by A using deception to gain access or entry. But since that didn’t appear to be the case here for the reasons I’ve set out above, Mr M’s loss isn’t an insured event covered by his policy.*

*I sympathise with Mr M for what’s happened. I recognise he’s incurred a significant financial loss from not receiving the cash from the sale of his caravan. I also appreciate he believed he could trust A having dealt with it before without issue.*

*But I can only consider whether AmTrust acted unfairly by declining his insurance claim. And unfortunately, Mr M’s loss has been caused by something which his caravan insurance policy didn’t cover.*

*So, I’m not able to find AmTrust acted unfairly by declining the claim.”*

AmTrust replied saying it had no further comments. Mr M replied with some further comments, and in summary he said:

- There is no evidence to support that A likely acted in accordance with the contract to sell the caravan, and the evidence which is available suggests that it did not.
- A theft still occurred even based on the findings I made in my provisional decision.

### **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 M will be disappointed, I've reached the same conclusion as I did in my provisional decision and for the same reasons.

I acknowledge Mr M is without his caravan and didn't receive any sale proceeds. Again, I sympathise this has left him with a significant financial loss. My role is to consider whether AmTrust acted unfairly by not paying the claim.

While I don't dispute Mr M has suffered a loss, I don't consider the loss he has suffered aligns to what his policy covers.

The policy terms say theft of the caravan is covered. It isn't in dispute Mr M voluntarily handed the caravan over to A on the understanding that A would sell the caravan for him. Because Mr M is now without the caravan, and didn't receive any sale proceeds, the question this raises is whether the caravan itself was stolen, or whether the caravan was sold – as per the contract – but A kept the money from the sale.

I consider this an important distinction because if the cash was stolen instead of the caravan, the actual loss Mr M suffered would be for something not covered under the policy terms, since the policy only covers the caravan itself, and its contents.

I've considered Mr M's comments about whether the caravan was sold. I don't think there is evidence which definitively shows whether the caravan was sold, or kept by A. But where the evidence is incomplete, I must determine on balance of probability what I think is most likely to have happened.

Mr M says that A didn't provide a receipt following the sale, didn't pay any sale proceeds, had closed its business, and there's a lack of evidence to show what its intentions were.

To my knowledge, the caravan was never recovered, nor was it seen by Mr M or AmTrust's loss adjuster when A's premises were visited. Mr M was provided with a letter from A on 17 April 2024 which said A had sold the caravan and would forward the proceeds on 5 May 2024. Mr M never received those proceeds.

My understanding is this letter was provided to Mr M before there were any arrests at A, and that A were suffering financial difficulties leading up to this. I also understand there were many other victims in similar circumstances to Mr M.

I still think on balance it's more likely that A did sell the caravan but kept the money. I've considered Mr M's comments, but I haven't seen any more evidence showing A wasn't trading at the time, or prior to, it writing to Mr M on 17 April 2024. And given the nature of A's business, the reports of A's financial difficulties, and the number of other victims it seems more likely to me that A would have kept the money rather than the caravan itself.

Ultimately, I still don't think A stole the caravan. It didn't take the caravan without Mr M's permission. Mr M voluntarily gave A the caravan under a contract for it to sell it. I think A likely did that, but kept the money from the sale. Accordingly, if there was a theft, it was of the cash the caravan was sold for, which is a different loss to the caravan itself and not covered under the terms of the policy. Because of this, I don't think it was unfair for AmTrust to decline 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 M to accept or reject my decision before 12 May 2025.

Daniel Tinkler  
**Ombudsman**