DRN-5607065

The complaint

Ms T complains that Premier Insurance Company Limited declined her claim on her motor insurance policy and didn't provide a courtesy car after her car was vandalised.

What happened

Ms T notified Premier that her car had been vandalised. Premier declined her claim as it said, based on the notification call, that Mr M was the last person to use the car and he was "in charge" of it. Mr M wasn't listed as a named driver on the policy and so the claim wasn't covered. Premier also said that as the car's V5 was in Mr M's name, Ms T had no insurable interest in the car. Premier cancelled the policy and said it would issue a refund of unused premium. Ms T later said Mr M had returned the car's keys to her.

Our Investigator didn't recommend that the complaint should be upheld. Ms T later said Mr M had handed over the keys to her. But he thought Premier had reasonably relied on the first phone call to provide an accurate account of events. And so he thought Premier had declined the claim fairly and reasonably in keeping with the policy's terms and conditions. He also thought Ms T didn't have any insurable interest in the car. He explained that Ms T had a right of recovery from the person convicted of the damage.

Ms T replied that she didn't agree, so her complaint has come to me for a final 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.

I can understand that Ms T feels disappointed and let down by Premier's decision not to accept her claim. She has explained that she needs the car to get to work. And I was sorry to hear about the distress this matter has caused her.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

Premier declined the claim because it said Mr M was "in charge" of the car at the time of the damage, and he wasn't covered by the policy as set out in the terms and conditions on page 15 of the policy booklet:

"*Your Motor Policy does not cover any accident, injury, loss, damage or liability when any vehicle covered by this Motor Policy is in the charge of or being driven by any person who is not described in Your Certificate of Motor Insurance as a person entitled to drive."*

Premier explained how it had decided that Mr M was in charge of the car:

"A vehicle is in the charge of someone if that someone has the immediate means of control over it.

Fundamental to that is having knowledge of the vehicle's location."

Premier said that both Ms T and Mr M had told the broker that Mr M last used the car and still had the keys when the car was vandalised. And Mr M was alone aware of the car's location. This account was changed after the broker made Ms T aware of the policy exclusion and she said Mr M had returned the keys to her before the vandalism. But I think it was fair and reasonable for Premier to rely on the first reports as they were closer to the event.

So I think Premier reasonably decided that Mr M was in charge of the car at the time. Mr M wasn't listed on the Certificate as a permitted driver. And so I think Premier fairly and reasonably declined the claim because of the policy exclusion.

Premier also said Ms T didn't have any insurable interest in the car. This was because the car's V5 was in Mr M's name. And when Ms T had taken out her policy, she said the car was owned and registered to her spouse. But Ms T later told Premier that she and Mr M weren't married, and Premier said it wouldn't have provided cover if it had known this. So I think Premier reasonably decided that Ms T didn't have any insurable interest in the car.

Ms T said she would locate evidence to show that she had bought the car. But she hasn't provided us with this. So I can't see evidence to challenge Premier's view that she had no insurable interest in the car.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 18 September 2025.

Phillip Berechree
Ombudsman