

The complaint

Mr A complains about Admiral Insurance (Gibraltar) Limited's decision to decline a claim for the cost of a replacement key under a motor insurance policy.

What happened

Mr A had a motor insurance policy with Admiral that included cover in the event of lost keys.

In November 2024, Mr A made a claim online after losing one of the keys for his car. He then paid for a replacement car key and for coding. He didn't replace the locks.

Admiral declined the claim. It said because Mr A hadn't replaced the locks, it wouldn't provide cover.

Mr A complained. He said the terms were not clear on a full lock change being needed, or that both the locks and keys needed to be replaced together.

Admiral issued a complaint response in January 2025. It maintained its decision not to cover the cost of the replacement key and coding, because the locks and keys weren't replaced.

Mr A referred his complaint to the Financial Ombudsman Service. He said a reasonable interpretation of the terms, was cover for a replacement key up to £500.

The Investigator didn't uphold the complaint. They said it was clear a full lock change was required and Admiral acted reasonably in declining cover.

Mr A didn't agree. He said the terms applicable when he took out the policy don't say locks and keys need to be replaced together.

Because the complaint couldn't be resolved, it's been passed to me to decide.

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.

Mr A says the policy terms aren't clear in that both the locks and keys needed to be replaced for there to be cover. I've reviewed the terms and they say:

“4. Lost or stolen keys

If you lose your vehicle’s keys, or any other ignition device, or they are stolen from somewhere other than your vehicle, we will pay up to £500 towards the cost of replacing the locks and keys.

Once we agree to your claim, you must pay to have your locks and keys replaced and we will reimburse you up to £500.”

I appreciate Mr A’s comments that the terms refer to locks and keys, but don’t include the word ‘both’. But having reviewed the terms, I consider it’s clear from the wording, and from a reasonable interpretation, that Mr A must pay to have his locks ‘and’ keys replaced (as opposed to locks ‘or’ keys), and that these are the conditions under which Admiral will meet a claim for lost or stolen keys.

It follows that because Mr A didn’t have his locks and keys replaced (he only had his keys replaced), I don’t consider Admiral was required to provide cover in the circumstances. So I don’t think it acted unfairly in declining Mr A’s claim.

For the reasons outlined above, I won’t direct Admiral to do anything else.

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 A to accept or reject my decision before 21 August 2025.

Monjur Alam
Ombudsman