DRN-5617515

The complaint

Mr W complains Accelerant Insurance Europe SA/NV UK ("Accelerant") declined a claim he made on his caravan insurance policy after the theft of his caravan.

What happened

Mr W has a touring caravan insurance policy for his caravan. It started in April 2024.

In July 2024 Mr W's caravan was stolen from his driveway. The thieves burned through the hitch lock and stole the caravan. He says the wheel lock wasn't on as he hadn't been back from using the van long. Mr W says the wheel lock is plastic so it wouldn't have prevented the theft in any event. He reported the matter to his insurer, Accelerant.

Accelerant looked into the claim and declined it. It said Mr W hadn't complied with the security conditions of the policy. Mr W wasn't happy his claim had been declined so he complained.

Accelerant say Mr W told the loss adjustor the caravan was fitted with a hitchlock at the time of the theft, but the wheel lock was not in operation. Accelerant say since the wheel lock wasn't fitted at the time of the theft; the claim was declined. It said the terms of the policy say loss when the caravan is left unattended is not covered unless it is fitted with a hitchlock and wheel clamp or wheel lock.

Mr W wasn't satisfied with Accelerant's response so referred his complaint to this service. Our Investigator looked at the evidence and concluded that the policy required the caravan to be secured by the wheel lock in order for the loss to be covered. The Investigator thought the fact the theft happened in broad daylight, with the perpetrators arriving fully armed, suggests they wouldn't have been deterred by the wheel lock. The Investigator concluded the breach of the term of the policy wasn't material to the theft. So, she upheld the complaint and recommended Accelerant pay the claim and add 8% simple interest.

Accelerant didn't agree with the Investigator's outcome. It said it wasn't able to insure against every risk and eventuality. Accelerant say the security measures may not have been relevant in the particular circumstances, but it wouldn't have insured the caravan at the outset if it was aware the security standards would not be met. Since Accelerant didn't agree the complaint has come 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.

Having done so, I'm upholding the complaint for broadly the same reasons as the Investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, its because I don't believe its affected what I think is the right outcome.

The relevant industry rules say an insurer should handle claims promptly and fairly and it shouldn't unreasonably reject a claim. So, I've thought about whether Accelerant acted in line with this together with the terms of the policy.

The relevant terms and conditions of the policy

The general conditions of the policy say, "*we will only give you the cover described in the policy and shown on your schedule if;*

- *You pay the premium on the agreed date; and*
- *When making a claim you meet all of the policy conditions as far as they apply"*

There is also a wheel claim and hitchlock condition which says, "*a wheel clamp and hitch lock of proprietary manufacture must be fitted to the caravan whenever it is unattended for a period exceeding 2 (two) hours,"*

Under the section 'What is not covered?' the policy says, "*loss or damage when the caravan is left unattended unless the caravan is fitted with a hitchlock and wheel clamp/wheel lock."*

The Insurance Product Information Document (IPID) says, "*theft or attempted theft cover will not apply unless you have complied with the security and storage requirements as per your schedule."*

A loss adjustor attended Mr W's home and noted there was a hitchlock on the caravan at the time of loss. However, there was no evidence a wheel lock had been used. The loss adjustor also raised concerns about where the caravan was kept since it wasn't kept behind a locked gate. The loss adjustor told Accelerant there was an indemnity issue concerning the security in place at the time of the theft and so they thought Mr W had made a careless misrepresentation.

Insurers are entitled to decide what risks they will accept. And not every eventuality will be covered. The events an insurer will, and won't, cover need to be clearly set out in the terms and conditions of the policy. Having reviewed the policy, I'm satisfied Accelerant has clearly set out what it will cover in relation to a theft claim, and which exclusions will apply.

I also need to consider whether the breach of the condition really made any difference to the circumstances. ICOBS makes it clear insurers should only reject a claim for breach of a condition if the breach is connected to the loss. Where it's likely the theft would have happened even if all the security requirements had been met, as is the case here, I don't think it's fair to reject the claim. It's clear from the evidence the caravan had been specifically targeted. The thieves had tools to assist carrying out the theft and threatened neighbours with weapons when they tried to intervene. And so, I think it's likely it would have been stolen even if the wheel lock was in place. Given this, I don't think it is fair for Accelerant to decline the claim for a breach that isn't connected to the loss, as is the case here.

Misrepresentation

The relevant law in this case is Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out an insurance policy. And, if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is a qualifying one. For it to be qualifying the insurer has to show it would have offered the policy on different terms, or not at all, if the consumer hadn't made the misrepresentation.

CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care.

Accelerant say if it had been aware the security conditions weren't being adhered to it wouldn't have insured the caravan from the outset. If that was the case, when Accelerant became aware of breach I would have expected it to avoid the policy. Avoiding the policy would mean there was no policy in force when the caravan was stolen, and so Accelerant wouldn't have had to deal with the claim. But Accelerant didn't do this. Instead, it declined the claim. I think this, in effect, affirmed the contract it had with Mr W by relying on policy terms in declining the claim, despite the fact it knew Mr W had failed to take reasonable care not to make a misrepresentation. Accelerant isn't able to decline the claim on a policy term and when that isn't accepted, say the policy shouldn't exist.

The claim was made in July 2024. The loss adjustor visited Mr W at his home address in August 2024 and the report was provided later that same month. Accelerant could have avoided the policy at any time after receiving the report, refused all claims, and not returned the premiums if it considered the misrepresentation to be reckless. By keeping the premiums and declining the claim on a policy term, Accelerant have effectively affirmed the contract.

In summary while I think Mr W made a qualifying misrepresentation when he took out his policy with Accelerant, I think the fair and reasonable outcome to this complaint is for Accelerant to now meet the claim under the terms of the policy. This is on the basis it waived its right to rely on the misrepresentation.

Putting things right

In order to put matters right, I direct Accelerant to;

- Settle the claim under the terms of the policy,
- Add interest to the above amount at a rate of 8% simple per year, from the date the claim was declined to the date of settlement.

My final decision

For the reasons set out above I uphold Mr W's complaint and direct Accelerant Insurance Europe SA/NV UK to settle the claim by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 21 August 2025.

Kiran Clair
Ombudsman