

The complaint

Mr J complains Advantage Insurance Company Limited (Advantage) caused delays with his claim on his motor insurance policy and unfairly declined to settle his claim.

Advantage are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Advantage have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Advantage includes the actions of the intermediary.

What happened

Mr J's car was stolen whilst he was on holiday, and he made a claim on his motor insurance policy in early September 2024.

As part of the validation of his claim Advantage asked Mr J to send the car keys to its independent engineer for inspection. When the package arrived there was only one key in it. Advantage said this key appeared to be damaged, so it was unable to obtain any data from it. Advantage said it was unable to validate the claim with one damaged key and he hadn't provided any further substantive evidence.

In February 2025 Advantage said it was unable to cover the cost of Mr J's claim because the information he provided to support the claim was inaccurate or misleading. It declined to settle his claim because it was unable to validate the circumstances given to it.

Because Mr J was not happy with Advantage, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said they didn't think in this case that there were excessive delays in coming to a decision. But they said it was only fair that the claim is thoroughly investigated, with all the necessary evidence requested and examined.

As Advantage is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

When a claim is made on an insurance policy it is standard process for an insurer to investigate the circumstances of the claim and to validate the evidence and information provided. Advantage confirmed it is its standard process to validate all theft claims. I saw evidence of Advantage requesting information from Mr J and undertaking validation checks from the date he made his claim. I saw it asked for additional information as the validation process progressed, which continued up to the point it declined his claim in February 2025. Although I recognise this is a number of months, I didn't see evidence of any unnecessary delays caused by Advantage.

Mr J found his car to be missing on his return from a holiday. He reported that the car was taken without using keys. He said he still had them. In this case Advantage have declined to settle his claim for the reason that it hadn't been able to validate the circumstances he provided and explained this was due to it not receiving both car keys.

When Mr J initially made the claim Advantage requested, he send it a picture of both keys to the stolen car, with the key blades showing. Mr J provided this but when reviewed by Advantage it appeared that one of the keys had been tampered with, so it requested they were both sent to its independent engineer for assessment.

Advantage's independent engineer report says the package arrived damaged and with only one key inside. The report from the independent engineer says the package received weighed the same as was recorded by the post office on the stamp on the package. It said this indicated there was only one key inside at the time of posting.

I saw Mr J disputed this and said he sent both keys tracked and recorded. Advantage said he hadn't been able to provide it with evidence of this. He also said he had a witness who saw him put two keys into the package in the post office. However, Advantage confirmed it didn't contact the witness.

Although I acknowledge the check of the package weight does point towards only one key being posted in the package, because the independent engineer specifically reported that the package was received damaged, it suggests a possibility of something being missing, and an element of uncertainty. Due to this I think Advantage should have looked at, and considered, the evidence of posting and the witness statement Mr J said he could provide.

The independent engineer report said the inspection of the key received found it likely be an authentic key, but it wasn't able to confirm if it was original to the stolen car. It said the key was found to be damaged and it suspected the circuit board to be damaged. It said it may be possible to open the key and repair the circuit board in order for it to be checked for data by the car manufacturer, however the key would need to be repaired before it was sent away.

Advantage didn't send the damaged key to the main dealer to attempt to interrogate the data. It said it didn't do this because no matter what the key read may show, the second key which hadn't been received could have been used to facilitate the theft. It said both keys were needed to confirm they were not used during the theft and in turn validate his claim. Although only interrogating one key may not be conclusive without interrogating the other, it would confirm if the key received had been used in the theft or not. This in itself could be conclusive evidence, so I think Advantage could have progressed with this further than it did.

I don't think Advantage obtained or thoroughly interrogated all the evidence available to it before it made its decision to decline Mr J's claim. Advantage could have done more to validate the claim before it made its decision.

Therefore, uphold Mr J's complaint.

Putting things right

I require Advantage to progress with further validation related to the car keys and then reconsider Mr J's claim alongside any other validation checks it has undertaken, and within the terms and conditions of the policy.

My final decision

I require Advantage Insurance Company Limited to progress with further validation related to the car keys and then reconsider his claim within the terms and conditions of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 14 August 2025.

Sally-Ann Harding
Ombudsman