

The complaint

Mrs W complains that Advantage Insurance Company Limited declined her claim on her motor insurance policy following the theft of her car. She wants it to pay for her car to be repaired, compensate her for the lost contents, and compensate her for her time, distress, inconvenience and costs she has incurred.

What happened

Mrs W's car was stolen from outside her home, and she reported this to the police and to Advantage. The car was later recovered damaged and Advantage assessed it as beyond economical repair. But it declined to pay the claim as it said Mrs W hadn't been honest or consistent in her account of the theft circumstances.

Advantage later removed the Category N salvage marker from the car and paid Mrs W £100 compensation for its poor service. But Mrs W remained unhappy that her car hadn't been repaired, and that she had lost the car's contents. She said the police had apprehended one of the thieves.

Our Investigator didn't recommend that the complaint should be upheld. He thought Advantage had fairly relied on policy terms and conditions to decline the claim. He thought it had fairly removed the salvage marker as a gesture of goodwill.

Mrs W replied that she and Mr W had done all they could to help Advantage investigate the claim. She said she couldn't be held responsible for the theft not being recorded on their doorbell camera or for the thieves having a key for the car. As Mrs W didn't agree, the 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.

Mrs W has described the effect the damage to her car has had on her family. I was sorry to hear about this financial impact and the stress and anxiety this has caused at an important time in her life.

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.

Advantage declined the claim because it said Mrs W had been dishonest about the way the car had been stolen, and it relied on the fraud clause on page 57 of the policy booklet:

"You must not act in a fraudulent manner. If you, or anyone acting for you:

- *Knowingly provide information to us that is not true*

Then, depending on the circumstances:

Your insurer may be entitled to refuse responsibility for the claim to which the alleged fraud or falsehood relates. They may also be entitled to cancel the policy or treat it as if it had never existed without refunding your premium."

And it also relied on a General Condition, that you must:

“Give your insurer all the information and help they ask for including any documentary evidence to back up your claim. All information you provide must be true and correct to the best of your knowledge.”

I think these are common terms and conditions in motor insurance policies and I don't think Advantage needed to specifically highlight them to draw them to Mrs W's attention. And so I think it was fair and reasonable for Advantage to rely upon them.

Advantage interviewed the named driver, Mr W, after the theft was reported. He said the house's doors and windows had been locked. He said the car didn't have keyless entry or start technology. He said they hadn't allowed anyone else to use the car. And he said the car's two keys were in the house.

But Mrs W couldn't later find the spare key. And when the car was recovered, it had a key inside. An engineer's report said there was no sign of forced entry and there were only two keys programmed to the car. His report to Advantage stated:

“Further to your initial instructions a diagnostic download of the stored ECU data was also completed on the vehicle at the time of our examination.

One original or matching key was found with the vehicle at the time of our inspection. The key in question also operated correctly and started the vehicle.”

Advantage said this suggested that the car was stolen using the spare key. It said the key may have been stolen from Mrs W's home, which she hadn't shown had happened, or the key had been left in the car. So, it said it couldn't validate the claim as Mrs W's report of the theft was inconsistent with its findings. I think that was a reasonable conclusion in these circumstances.

Mrs W said they couldn't be held responsible for the thieves having a key to the car. But they told Advantage they had both keys, the main one and a spare that had never been used and was in a box inside their house following a house move. They couldn't locate this key. And the key found in the car was worn. So, Advantage couldn't say how the theft had taken place or that it shouldn't be declined because of other policy exclusions.

Mrs W's house had a doorbell camera. This showed her leaving the locked car seven hours before the theft. The next images of the car were stills taken before and after the theft. But there was no footage of the theft itself, which is puzzling as the camera would detect movement. So Advantage couldn't validate that a claimable event had occurred.

And I think Advantage was then entitled by the policy's terms and conditions to decline the claim for the damage to the car. As the claim was declined, then the personal possessions that were lost wouldn't be covered.

But Advantage agreed that it had made a delay in responding to Mrs W's appeal and had been blunt and tactless. It paid her £100 compensation for the trouble and upset this caused. And I think that's fair and reasonable as it's in keeping with our published guidance for the impact the errors caused.

Advantage also withdrew the salvage category placed on the car as it thought this had been mis-applied due to discrepancies between two engineer's estimates of the likely repair costs. I think that's fair and reasonable, albeit it leaves Mrs W with a repair cost of about £3,000. I don't require Advantage to do anything further.

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 Mrs W to accept or

reject my decision before 1 September 2025.

Phillip Berechree
Ombudsman