

The complaint

Miss A has complained about Aioi Nissay Dowa Insurance UK Limited (ANDI)'s decision to overturn a claim it paid and looks to recover the claim costs from Miss A under the fraud term of her car insurance policy.

All reference to the insurer ANDI in my decision includes its agent.

What happened

In February 2025 Miss A bought a car and insured it with ANDI. Later that month Miss A made a claim and ANDI settled it by paying the market value for her car.

Miss A accepted the settlement of £8,003 (after deducting the excess) as an interim payment. But she said she had paid £8,995 for her car in February 2025, so she didn't think ANDI had paid a fair market value. So ANDI asked Miss A to provide evidence of purchase for it to consider.

Miss A provided a handwritten invoice receipt from a garage. ANDI had concerns as the amount paid appears to have been altered. It asked Miss A to provide evidence of payment. Miss A said she paid part by card, part by bank transfer, and a remainder by cash. Miss A wasn't able to evidence the cash part of the payment.

ANDI contacted the garage. It said Miss A had paid a total of £7,650 for her car. It provided evidence of a bank transfer for £7,440 which matched the bank transfer amount Miss A showed she had paid from her bank statement. Miss A was able to show she had paid a deposit of £200 to the garage and this matched the deposit the garage said Miss A had paid.

So Miss A could show she had paid £7,640 to the garage. This shows a difference of £10, which Miss A says the garage deducted as she added fuel to the car during a test drive.

Miss A says she paid an additional £1,345 to the garage in cash.

ANDI decided to apply the fraud term of the policy. By doing so, it said it would look to recover the amount it had paid Miss A to settle her claim.

Miss A complained to ANDI but it didn't uphold her complaint. Miss A asked us to look at her complaint. One of our Investigators didn't recommend the complaint should be upheld. He found ANDI had acted reasonably and in line with the policy.

Miss A disagrees and wants an ombudsman to decide. In summary she says she didn't tamper with the invoice receipt. She finds the information the garage gave ANDI to be inconsistent, so unreliable. She believes ANDI breached her personal data by contacting the garage without her consent. Miss A says she purchased the car in good faith and ANDI's decision has caused her stress and anxiety.

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.

We don't decide fraud. But we can look at whether an insurer has reasonably relied on its fraud term when taking action under a car insurance policy.

Miss A's policy with ANDI says it will not cover;

"loss of or damage to your car or trailer caused by or resulting from deception, fraud or trickery, including when you are offering your car or trailer for sale"

And;

"15.7 Fraud

If you, or anyone acting for you:

- Knowingly provide information to us that is not true*
- Mislead us in any way, including about who is the main user of your car, in order to get insurance from us, obtain more favourable terms or reduce your premium*
- Make a claim under the Policy knowing it to be false or fraudulently exaggerated in any respect*
- Submit a document in support of a Policy or claim knowing the document to be forged or false in any respect*
- Make a claim for any loss or damage caused by your wilful act or with your knowledge then:*
 - there will be no cover provided under this policy and instead, our liability will be restricted to meeting our obligations as required by the Road Traffic Act or any other Countries Compulsory Insurance Law or Regulations. In those circumstances, we reserve the right to recover from you or the driver, all sums paid (including all legal costs), whether in settlement or under a Judgment, of any claim arising from the accident.*

We also reserve the right to withhold any claim settlement during the police investigation and/or criminal proceedings, and we will either immediately cancel your policy, or, where we have the right to do so, declare your policy void (treat it as if it never existed), and

- we will claim any amounts owed by you under the terms of your policy, and*
- all other policies you have entered into through us, to which you are connected, may be cancelled or treated void, and*
- we will share this information with other insurers, law enforcement and fraud prevention agencies for the purposes of preventing and/or prosecuting fraud and money laundering.*

From the research ANDI carried out, it obtained a market value for Miss A's car of £8,153. After deducting the excess of £150, ANDI paid Miss A a market value settlement of £8,003.

Miss A told ANDI she had paid £8,995 for the car in the same month – February 2025. On reviewing the handwritten invoice receipt from the garage, ANDI found it had been tampered

with. The total amount on the invoice read as £8,995.

Miss A hasn't been able to provide evidence to show she paid £8,995 for the car. Bank statements along with information from the garage show that Miss A paid £200 and £7,440. Miss A says the garage asked her to pay a cash payment of £1,345. She says a relative gave the cash to her. So she can't show a bank cash withdrawal transaction to match the payment.

Miss A says the car had a price tag in it for £8,495. Our Investigator was able to locate the car advert online for sale with the garage for £7,882. Both amounts are less than the amount Miss A says she paid for the car. So I don't find this information supports Miss A's statement as it means she paid the garage more than the car was advertised for sale for.

So, putting all of its concerns together, I think ANDI reasonably applied its fraud term. This means it is entitled to look to recover the claim amount it paid Miss A in light of the evidence available to it.

Miss A believes ANDI has breached her data by contacting the garage as part of its investigation. But I think ANDI has acted reasonably and in line with the policy which explains how it uses Miss A's data. Miss A can contact the Information Commissioner's Office (ICO) if she believes ANDI has breached her data.

I understand Miss A will be very disappointed with my decision. But from the information available to me, I think ANDI's decision that Miss A breached its fraud term was reasonable.

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 Miss A to accept or reject my decision before 17 October 2025.

Geraldine Newbold
Ombudsman