

The complaint

Mr M complains that First Central Underwriting Limited (First Central) has unfairly declined a claim for a stolen car under his motor insurance policy.

What happened

Mr M reported his car stolen in January 2025 and made a claim against his policy. In its letter dated April 2025, First Central declined the claim saying it couldn't validate it due to a number of concerns it had about it. First Central concluded that Mr M had broken the terms of his policy and referred to a fraud condition. Mr M complained to First Central about its claim decision.

Unhappy with First Central's response, Mr M referred his complaint to our Service for an impartial and independent review. Our Investigator didn't uphold Mr M's complaint. He said First Central had shown it'd investigated Mr M's claim and shown discrepancies in the information he'd provided. He didn't think it had handled Mr M's claim unfairly.

Mr M disagreed with the Investigator's outcome and asked for an Ombudsman to consider the matter. Mr M remained unhappy First Central insisted on him proving he was the legal owner of the car. He also said First Central incorrectly said it didn't speak to one of his relatives who gifted him the car. As the complaint couldn't be resolved, it has been passed to me for 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.

I'm aware I've set out the background to this complaint in less detail than the parties have presented it. I'm not going to respond to every single point raised. Instead, I've focused on what I find are the key issues here. I assure both parties, however, that I've read and considered everything they've provided.

The scope of my decision

I note that First Central decided to cancel Mr M's policy in July 2025, so after it issued its final response to his complaint in May 2025. Mr M is unhappy about that. But in this decision, I will only be looking at issues up until this final response and won't comment on what's happened after this date.

Under our rules, First Central has to be given the opportunity to resolve the matter first before we can consider it. So, if Mr M is unhappy with the cancellation of his policy, he'll need to refer this to First Central directly. If Mr M remains unhappy after that, he can refer this issue back to this Service.

Decline of claim

I thank Mr M for taking the time to explain his personal circumstances and everything that

has happened since the incident involving his car. I recognise it was a difficult time for Mr M, and he has continued to feel the impact of this incident long after.

Fraud is a serious allegation. We expect an insurer, when alleging fraud has occurred to be able to support its allegation with clear strong proof which shows its conclusion is fair and reasonable. A list of concerns and discrepancies in accounts of events will rarely be seen to be sufficient to satisfy this service that it's reasonable for the insurer to rely on a breach of the fraud condition within the policy to decline a claim and cancel a policy.

I appreciate Mr M is frustrated by First Central's findings on his claim. Mr M feels strongly that his evidence and version of events haven't been given proper consideration when assessing his claim. But we're not claim handlers. So as part of this decision it's not within my scope to say whether Mr M has acted fraudulently, or not.

When we investigate a complaint about an insurer's decision on a claim, our role is to consider whether the insurer handled the claim in a fair and reasonable manner. So, I've considered if it's fair and reasonable for First Central to have applied the fraud terms to refuse Mr M's claim. Having done so, I think it is. I realise this will bring disappointment for Mr M, but I'll explain why.

First Central has relied on the following policy terms to decline Mr M's claim:

"3. Fraudulent Claims

You must not act in a fraudulent way. If you or anyone acting for you:

- fails to reveal or hides a fact likely to influence whether we accept your proposal, your renewal, or any adjustment to your policy;
- fails to reveal or hides a fact likely to influence the cover we provide;
- makes a statement to us or anyone acting on our behalf, knowing the statement to be false;
- sends us or anyone acting on our behalf a document, knowing the document to be forged or false;
- makes a claim under the policy, knowing the claim to be false or fraudulent in any way;
- makes a claim for any loss or damage you caused deliberately or with your knowledge; or
- If your claim is in any way dishonest or exaggerated

We will not pay any benefit under this section of the policy or return any premium to you and we may cancel your policy immediately and backdate the cancellation to the date of the fraudulent claim. We may also take legal action against you and inform the appropriate authorities".

As both sides know the full details and circumstances surrounding this case, I won't go over all the finer detail here. But I don't think First Central have acted unreasonably here as it had a number of questions around the validity of the claim, and I will highlight a couple of key questions and concerns in this case by way of example.

In order to validate Mr M's claim, First Central asked him to provide proof he was the legal owner of the car. This is to show Mr M had an insurable interest and isn't unusual in this type of claim. The V5 document Mr M gave to First Central only confirms who the registered keeper is, it's not evidence of vehicle ownership. It follows that First Central didn't know who owned the car. First Central also asked Mr M for evidence the car was gifted to him but it couldn't obtain it. That's because the relative who Mr M said gifted him the car didn't provide First Central with the information it needed to confirm that.

I know Mr M feels strongly about First Central saying it didn't speak to his relative. I can see First Central did speak to Mr M's relative on 24 February 2025 but this was to agree a provisional appointment for 6 March 2025 for the claim to be discussed further. First Central didn't receive any further communication from Mr M's relative after that date. I can see that in its email of 12 March 2025, First Central told Mr M that despite it having arranged an appointment, his relative didn't respond to its investigations. First Central reiterated to Mr M the importance of it speaking to his relative to validate the claim.

Given the above, and the other concerns First Central highlighted in its decline letter of April 2025 about the circumstances surrounding Mr M's claim, I don't think it has acted unreasonably. I say this because I'm satisfied that First Central gave Mr M the opportunity to provide further information to support his claim but he didn't do so in good time.

First Central raised concerns with Mr M about the information he'd provided about both the circumstances of the claim, and the legal owner of the car. I won't list all of those concerns here. I have reviewed the correspondence between Mr M and First Central, and I'm satisfied First Central's questions to Mr M were reasonable and in line with what we'd expect in the circumstances.

I recognise what Mr M has said about First Central's questions being irrelevant and unrelated to assessing his claim. But I don't agree. We'd expect an insurer to investigate a claim to ensure that the policy terms have been met before any decision to pay the claim is made. Given the value of Mr M's claim, I'm persuaded the level of scrutiny and interrogation of Mr M's version of events was reasonable and proportionate to what we'd expect for a claim of this type.

I recognise the impact on Mr M because of First Central's decision on his claim and policy. But having considered Mr M's representations alongside First Central's requests for information which were declined, I'm satisfied First Central's actions have been fair. First Central didn't have the information it needed and so it could only reach a decision about the claim based on what Mr M has chosen to disclose. I recognise what Mr M has said about the information requests being excessive and unrelated. But given the value of the claim and the discrepancies noted, I'm satisfied First Central's request for further clarity was fair.

For the reasons I've explained above, I'm satisfied Mr M has been unable to satisfactorily resolve First Central's concerns about the claim. It follows that I can't say First Central's decision to decline the claim on the basis the fraud condition was breached was unfair or unreasonable. So, I won't be asking First Central to reconsider, or pay anything in settlement of, Mr M's claim

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 Mr M to accept or reject my decision before 20 November 2025.

Linda Tare
Ombudsman