

The complaint

Mr D complains that Ageas Insurance Limited ('Ageas') unfairly declined a claim under his motor insurance.

What happened

Mr D had an Ageas motor insurance policy, taken out in November 2024. In January 2025 he drove through a flooded pothole, causing significant damage to his car's engine. He made a claim on his insurance.

Ageas' engineers concluded that the flood damage was so severe that Mr D's car was beyond economic repair (commonly known as a write-off). As part of its claims process, it sold the car at auction.

During its investigation, Ageas discovered that Mr D didn't hold a full UK driving licence. It told him it was illegal for him to drive on a provisional licence unsupervised¹, on a UK motorway, and without 'L' plates. It told him this was a breach of the policy terms and declined the claim. However, it accepted that it sold Mr D's damaged car without his permission. It offered to pay him the amount it received from the sale (£3,480), and pay him £500 to apologise for the inconvenience this caused him.

Mr D didn't accept this and complained to this service. He says Ageas "*has acted unfairly in both their valuation and handling of [his] vehicle*" and wants it held "*accountable*". He doesn't think its offer is a fair value for his car, and he'd like compensation for Ageas selling it.

Our investigator didn't uphold the complaint. He found that Ageas' investigation into Mr D's licence status had been appropriate. He was satisfied that its decision to decline the claim was in line with the policy terms and was reasonable. He also thought its offer to pay Mr D the car's sales proceeds plus £500 was fair.

Mr D didn't accept this, so the complaint was passed to me to make 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.

I find:

- Ageas told us it had numerous concerns about the claim. For example, I can see from its internal notes that Mr D wasn't able to tell Ageas where he bought the car, how much he paid for it, provide evidence of the purchase, or give a consistent account of the journey when he hit the pothole.

¹ Supervised in this case means driving with someone over 21 years old holding a full UK or EU licence.

- I've looked at Ageas' internal notes when it was chasing Mr D for his driving licence information:
 - 30 January. *"PH said he lost his licence a while ago, he applied for a new one when it was lost but not received, advised PH to chase DVLA then. PH said he will send his European licence, advised we need DLCC² and DL to view online."*
 - 31 January. Mr D provided his non-EU licence and a DVLA check code.
 - 3 February. *"PH has sent in provisional licence. tried the DLCC – doesn't work. (We couldn't display the driving licence details with the information you gave us.)"*
 - 3 February. *"DLCC checked. Driving status – Provisional licence."*
- I accept Ageas' finding that Mr D was driving on a UK provisional licence, and the person with him in the car didn't have a full UK or EU licence. Mr D hasn't challenged that or provided any evidence that he was driving legally when the accident happened.
- Page 34 of the policy booklet ('Policy Exclusions') gives examples of things that aren't covered by the policy, including: *"The car being driven by someone who does not meet all of the conditions of their driving licence. An example of this would be a provisional licence holder driving without appropriate supervision as required by law."*
- As Ageas said, UK law prohibits provisional licence holders from driving without 'L' plates, without supervision, or on a motorway without a driving instructor.
- So I'm satisfied that the policy exclusion applies, and Ageas' decision to decline the claim was in line with the policy terms. That means it didn't have to pay Mr D the market value of his car.
- I've thought about whether it was fair for Ageas to rely on the policy exclusion in this case. I think it was. This is unlikely to have been the only time Mr D drove the car since his insurance began in November. He was driving unsupervised without a full UK licence. I'm satisfied that this was a risk Ageas was unwilling to insure.
- Ageas told us: *"When the vehicle was collected and while processing the claim we had no reason to believe that [Mr D] had not complied with the terms of his policy."* In other words, it says it had no reason not to sell Mr D's car.
- I'm not entirely persuaded by that. The car was a Category N loss. That means it could be repaired, but Ageas decided it was uneconomical to do so. I think it would have been good practice to talk to Mr D about what he wanted to do with the car before sending it to auction. I think it's likely Mr D would have wanted to try to repair it himself, as suggested by the note of his call on 10 January (*"PH states that the VEH could be repaired."*).
- However, I think its offer to pay Mr D the proceeds from the car's sale at auction is fair. I'm pleased to see that it hasn't deducted any recovery or other costs from this.

I understand why Mr D is unhappy. His car was written off and instead of receiving its market value, he received its auction price in its damaged condition. This would have been considerably less than he'd have expected to get for the car. However, I'm satisfied that the policy exclusion applied, and it was reasonable for Ageas to rely on the exclusion to decline his claim. That means it doesn't have to pay Mr D the market value of his car.

I agree with Mr D that Ageas shouldn't have sold his car without permission and it's clear this

² I think this means the DVLA check code, which UK licence holders can request from the DVLA. This would allow Ageas to check Mr D's licence information.

caused him some distress. However, I think Ageas' offer of £500 to apologise for this is fair. I won't be asking it to do any more.

My final decision

My final decision is that I don't uphold the complaint.

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

Simon Begley
Ombudsman