

The complaint

Mr H is complaining that Acasta European Insurance Company Limited (Acasta) have declined a claim he made on his Guaranteed Asset Protection (GAP) insurance policy.

What happened

In January 2023 Mr H took out a GAP policy when he bought a car. In April 2025 he claimed against his specialist track day insurance policy as he said his car was damaged whilst driving in a non-competitive circuit event in Germany. This resulted in the track day insurer writing the car off and settling the claim.

Mr H contacted Acasta to claim against his GAP insurance policy. Acasta refused his claim. It said the claim would've been paid if Mr H's fully comprehensive motor insurer paid out, but it confirmed the specialist track day insurer had settled the claim.

Mr H didn't think it was fair and brought his complaint to us. One of our investigators looked into it. He didn't think Acasta needed to take any further action. Mr H didn't agree so his complaint's been passed to me to decide.

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 deciding this complaint, I've considered the actions Acasta have taken alongside the policy terms and conditions.

Acasta have declined Mr H's claim explaining as his comprehensive insurer didn't pay the claim. So, I've considered whether I'm satisfied Acasta were fair to decline the claim on this basis. Having done so, I think they were, and I'll explain why.

Mr H's GAP policy sets out what he is covered for:

Section 3: What is covered:

"If within the period of insurance and within the territorial limits an incident occurs which results in the vehicle being a total loss under your motor insurance policy, this insurance will pay..."

"Motor insurance policy" is defined under the policy terms as:

"A comprehensive motor insurance policy issued by an authorised UK motor insurer which insures against accidental loss of or damage to vehicle through period of insurance".

Mr H says he had his own comprehensive insurance policy, but for the circuit event, he took out a separate track day insurance policy. Mr H says as the GAP policy doesn't state his comprehensive insurer must be the one that settles the loss, only a comprehensive policy

must be in place, and the total loss was covered and paid out by a UK Insurer, Acasta should pay his claim. But while I acknowledge Mr H's arguments, I don't agree that's the case.

Mr H's track policy is a specialist policy which provides limited cover and would not be considered a normal comprehensive motor insurance policy. And his GAP policy states he is covered if the incident occurs which results in the vehicle being a total loss under his motor insurance policy, which under the definition, is his own comprehensive motor insurance policy.

When designing policies insurers like Acasta will decide which perils they wish to cover and the likelihood it will have to pay out on those risks. That's something insurers are allowed to do as long as the policy terms aren't unfair. And, in this case, it's clear that Acasta didn't wish to cover an incident that wasn't insured under the policyholder's normal comprehensive policy. That's a decision it's entitled to come to, and I don't find it unfair for Acasta to rely on its policy terms.

I know Mr H will be disappointed by my decision, but I can't say Acasta has acted unfairly and unreasonably by declining his GAP insurance claim, as his vehicle wasn't a total loss under his comprehensive motor policy.

My final decision

For the reasons set out above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 29 December 2025.

Lorraine Ball
Ombudsman