

The complaint

Ms O's complained that Admiral Insurance (Gibraltar) Limited unfairly declined her motor insurance claim after her car was stolen.

What happened

In spring 2024, Ms O's car was stolen from a street close to her home. She reported the theft to the police. And she contacted Admiral to make a claim on her motor insurance policy.

Admiral took details of the theft, interviewed Ms O and analysed data they obtained about the car's usage. Having done that, they declined the claim because they said the evidence didn't support Ms O's account of what had happened – specifically, key data existed which showed the key hadn't been used since October 2023. Admiral said they concluded from this that Ms O had another key which she'd not kept safe, and which was used to take the car.

Ms O complained to Admiral about their decision. She said she'd only ever had one key for her car and provided a statement from the seller she'd bought it from to confirm that. And she provided copy documents from dealers in her area, confirming a second key would need to be bought from them, but they hadn't supplied one. Admiral didn't change their decision. So Ms O brought her complaint to the Financial Ombudsman Service.

Our investigator reviewed the information provided by both parties and concluded Admiral didn't need to do anything different to resolve the complaint. She was satisfied it was fair for Admiral to rely on the data they'd obtained to decline the claim, on the basis Ms O hadn't provided them with an honest account of the circumstances of the theft.

I didn't agree with our investigator's view. So I made a provisional decision. I said:

"In this case, the crux of the issue is the key to the car. Admiral's position is that Ms O only provided them with one key and she must have had a second key which was used to steal the car. Ms O says she's only ever had one key. I've thought very carefully about this.

Cars do usually have more than one key. But Ms O says the car was sold to her with only one. She's provided testimony from the dealer from whom she bought the car to confirm that. She told Admiral's investigator that she used this fact to negotiate a price reduction when she bought the car and provided detailed testimony about what the seller told her she could do to get an additional key. And she's provided documents that show additional keys need to be bought from a main dealer for the brand and testimony from dealers that they never supplied an extra key.

Admiral have asserted Ms O must have had a second key, but haven't provided any more detail to support that assertion. Based on the detailed and consistent evidence and testimony Ms O's provided, I'm persuaded that she only ever had one key for her car.

Admiral have also relied on data they've obtained which they say shows Ms O hadn't driven the car for six months – which they say contradicted her testimony. They've sent us a key scan report and a report from a locksmith.

The key scan report provides very little data. It gives the last usage date for the key as October 2023, and the mileage. But it gives no further detail about how that information was obtained.

By contrast, the locksmith's report sets out a more detailed examination of the key. It sets out details of the key's condition, such as patterns of wear, dents and scratches, which it says is consistent with its use as a main key. But the most persuasive comments in the report relate to the key specifications. They say:

"Unfortunately, due to the lack of technology on this type/issue of key there is no data recorded on the key that identifies either the mileage or the time or date as to when it was last used on the vehicle."

It's not clear from the information provided by Admiral how they were able to obtain data from a key their own expert says doesn't record that information. Nor does the key data report say how this was possible. In the absence of any evidence to explain that, I find the much more detailed report of the locksmith persuasive that it wasn't possible to obtain that information from the key. That report is also supportive of Ms O's testimony that this was the key she used to drive her car. So I don't think it was fair for Admiral to rely on the key data about mileage and the date of the last use to decline Ms O's claim."

Both parties have had the opportunity to comment on my provisional decision. The matter's now been passed back to me for further consideration.

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.

Having done that, I'm upholding Ms O's complaint, for the reasons I set out in my provisional decision above. I'll explain why the further submissions haven't changed my conclusion.

Ms O accepted my provisional decision. Admiral have responded, reiterating that Ms O's key hadn't been used since October 2023. So she must have had a second key which was used to drive the car. And they said the locksmith they instructed didn't – at the time of the instruction – have access to a key data reader.

I've considered Admiral's comments. They've asserted again that Ms O had a second key which she didn't disclose. I set out in my provisional decision why I found Ms O's testimony that she only had one key persuasive. That evidence was shared with Admiral, who've never explained why they weren't similarly persuaded. In the absence of any more than an assertion from Admiral to persuade that I should dismiss Ms O's testimony and evidence about only having one key, I see no reason to do so.

I'm also not persuaded I should change my provisional findings in relation to the locksmith's report. While Admiral have said the locksmith now possesses a key reader, the locksmith didn't say they lacked the equipment to obtain data from Ms O's key – they said it wasn't possible to get any data from it. Admiral haven't provided any testimony or evidence to contradict their expert's assertion. So I see no reason to change my provisional decision in this respect.

Putting things right

I said in my provisional decision that, as Admiral had unreasonably declined Ms O's claim, they should now pay it. And they should add 8% simple interest onto the settlement figure.

I also said they should correct any database entries they've made relating to the cancellation of any policy held by Ms O following their original claim decision. And they should pay Ms O £750 compensation to recognise the considerable effort she went to provide evidence in support of her testimony and the significant distress she'd been caused by Admiral's handling of her claim.

As I've not changed my provisional decision, it follows that I see no reason to change my view on what Admiral needs to do to put things right for Ms O.

My final decision

For the reasons I've explained, I'm upholding Ms O's complaint and directing Admiral Insurance (Gibraltar) Limited to:

- Settle the claim for her stolen car;
- Pay 8% simple interest on the settlement, calculated from one month after Ms O made the claim until the date of payment. If Admiral considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Ms O how much it's taken off. It should also give Ms O a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate; and
- Pay Ms O £750 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 24 December 2025.

Helen Stacey
Ombudsman