

The complaint

Mr C has complained about his motor insurer Admiral Insurance (Gibraltar) Limited because it has refused to settle his claim for the theft of his van.

What happened

Mr C discovered his van had been stolen overnight and crashed, possibly in the early hours of the morning in April 2024. He noted it was missing when he went to take his dog out and a neighbour also approached him with the van's wing mirror and hub-cap which had come off when the van had collided with the neighbour's car. Another neighbour said they'd seen someone who did not look like an adult and who likely didn't know how to drive, driving the van away. The van was found about a mile and a half from Mr C's house.

Mr C made a claim to Admiral. He said he still had both keys. Admiral interviewed Mr C. It applied for a copy of the police report, had an engineer assess the van and, much later, analysed the keys. It asked for any CCTV footage – but there wasn't any showing the van being taken or of the driver. In around October 2024 Admiral told Mr C it thought the van had been taken using one of his keys. It asked him how many people over the age of 17 were in the house on the night (in April) when the van was stolen. Mr C said he didn't know – his son had had friends over but he (Mr C) had been in bed.

In February 2025 Admiral wrote to Mr C stating it did not accept the incident had happened in the way he'd said. It then set out, in full, four general policy conditions, including one for "fraud". Stating what the consequences for non-compliance with any aspect of those terms might be. Admiral said Mr C's policy "would remain cancelled" – likely not noting it had remained in place in 2024 before lapsing at that year's renewal – and that it was expecting him to repay its claim costs. Admiral confirmed the van had been recorded as a Category N total loss.

Mr C was upset. He complained to Admiral. It replied with a final response letter in April 2025. The letter said: "From the information received from the vehicle's engine control unit and the engineer's report we know one of your vehicle keys was used to drive it that evening. We know the person who took the vehicle used your key, and those keys were then back in your possession following the crash. As such we believe you have deliberately tried to mislead us to gain cover for an otherwise uninsurable event." Mr C complained to the Financial Ombudsman Service.

Our Investigator noted that one of the conditions Admiral had set out in its February letter was "remove and secure any keys or device that allows access to your vehicle; if it is left unoccupied". He thought that as one of Mr C's keys had been used to take the van, Mr C hadn't "secured" them. So he was satisfied it was fair for Admiral to refuse to settle the claim.

Mr C felt that was unfair. He said he thought he'd taken reasonable precautions with his keys – one being by his bedside and one hidden in a fake food can. He noted Admiral had collected the van from the police before the police had completed forensic tests on it. Mr C said Admiral hadn't followed up effectively with the witness who saw the van being driven, noting no formal witness statement was obtained.

The complaint was referred to me for an Ombudsman's decision.

Having reviewed it, I found I was minded to uphold it. I thought I could see why Admiral had some concerns about this claim but felt it hadn't done enough to satisfy me that its view that Mr C had acted fraudulently was fair and reasonable. So I issued a provisional decision to explain my views to both parties. In my provisional decision I said:

"Getting straight to the heart of things – Admiral said it thought Mr C was trying to "gain cover for an otherwise uninsurable event". So it was accusing Mr C of fraud. This Service treats an allegation of fraud as a serious matter, after all it can have significant consequences for the policyholder. As such we expect an insurer, wishing to rely on an allegation of fraud to decline a claim, to support such with strong proof. It is up to the insurer to show its most likely fraud has occurred.

It's also worth noting at the outset here that the general definition of fraud requires two things. The first is that the policyholder knowingly provided misleading or incorrect information to the insurer. The second is that they did so with the intent to gain something they otherwise weren't entitled to.

I know that, here, Admiral thinks Mr C has misled it. But I'm not persuaded that is the case. And even if Mr C did provide misleading information, Admiral would have to show he "knowingly" did that. But, for me, the second part of the fraud definition is the most relevant thing to consider here.

As set out above, for a policyholder to be acting fraudulently, they have to have been trying to gain something they otherwise were not entitled to. If Mr C was entitled to make a claim for theft, even if Admiral should convince me that he knowingly provided misleading or incorrect information, then the allegation of fraud would not be fair or reasonable. So I've looked at what Admiral has said about the policy cover.

I'll note here that I don't find the way Admiral approached the policy cover issue to be very helpful. Merely setting out large sections of the policy within a letter, without tying them into the claim circumstances or specifically highlighting which it thinks of the numerous bulleted terms apply, is not a reasonable way of clearly letting its policyholder know what they are accused of. I've considered the lists of terms. I've pulled out the three I think, given everything I've read and seen in Admiral's file, are likely most relevant to its thoughts in the circumstances of this claim. They are:

- *You...must...Remove and secure any keys or device that allow access to your vehicle, if it is left unoccupied.*
- *If an incident happens, which is directly or indirectly caused or contributed to by any of the following:...Your vehicle being left unlocked or unsecured...No cover under the policy will be given.*
- *We will not pay for any loss, damage or liability directly or indirectly caused or contributed to by...1. Your vehicle being...c) taken or driven without your consent by someone who normally lives with you as part of your household.*

The first two are really quite similar. I'm aware it's possible that Admiral may think the van and or keys were not kept "secure" because someone was able to take a key and use it to drive the van away. But I'm not persuaded Mr C did anything wrong here or failed to secure his van or keys. Admiral does not seem to doubt the van was locked when Mr C left it unoccupied the night before the theft. So the van was secure. With Mr C taking the key with him into his house. Both keys were in Mr C's house, as was he, and the keys weren't left in a generally accessible location where a would-be thief would face no difficulty or risk in taking

them. I'm satisfied that Admiral has not shown that Mr C breached either of these two terms such that it would have been reasonably entitled to decline the claim.

The third is perhaps the most relevant of the terms quoted by Admiral. As noted above there was a witness who saw someone who was not an adult driving the van away. Admiral has established the van was driven using one of Mr C's two keys. And both keys were in Mr C's possession the next morning. So I can certainly see why Admiral's thought would be that the van was most likely taken by someone who had been in the home. However, the hurdle for Admiral to get over here is that the term in question refers to "someone who normally lives with" the policyholder – it isn't so wide as to apply to guests in the home.

It was only very late into the claim when Admiral started to make enquiries about who had been present at the house on the night of the theft. I suspect Admiral will say that it couldn't reasonably have made such enquiries before because it only received the police report quite late on. But I'm mindful that even in early May 2024 Admiral knew the van was showing no obvious signs of forced entry. And Mr C had told it, in early April that he hadn't found any debris around where the van had been parked. He'd also told it a witness had seen a "young boy" driving the van away. But Admiral did not choose to send an investigator out to talk to the witnesses Mr C had drawn to its attention and it was only several months later that Admiral asked an expert to interrogate the van's keys. In the circumstances, I think that Admiral should reasonably have been making enquiries as to who was at the house the night the van was taken, about five months before it actually did.

As it was Mr C, when asked roughly half a year after the theft took place, couldn't be sure who was at the house that night. He was aware his son had friends over but didn't know who as he (Mr C) was in bed. So Admiral has not shown that it's most likely that "someone who normally lives with" Mr C stole his van.

Which means, regarding the relevant terms, Admiral hasn't shown that Mr C either breached them or that his claim likely and reasonably fails because of them. So Admiral hasn't shown that Mr C has tried to obtain something – the benefit of the claim – which he wasn't actually entitled to receive. As such, in my view, Admiral hasn't shown its allegation of fraud was fairly and reasonably made.

I need to think then about what is needed to put things right.

Putting things right

Admiral confirmed, when I had our Investigator ask, that it has not recorded this as a fraud on its own or any industry database. And the policy was not cancelled by it (despite what its February 2025 letter said). Rather it lapsed at renewal in 2024 and Mr C has confirmed he does not need it reinstating as he bought a replacement van, arranging cover for it with a different insurer. So whilst I might normally, in this type of situation require an insurer to remove the record of fraud and reinstate the policy, I don't need to do that here.

I know Admiral has kept the van all this time but it has already decided it is a total loss. And I know Mr C does not want the salvage of the van back. So I'm going to require Admiral to accept the claim and settle it, in line with the policy terms, as one of total loss. Once settlement is made the van will become Admiral's property and it will be free to dispose of it.

To any settlement Admiral makes it will have to add interest applied on the settlement sum from the 15 September 2024 until payment is made. I think applying interest from 15 September 2024 only is fair as, all else aside, I'm satisfied Admiral would always have wanted to see the police report from this loss. It asked for that in a reasonably timely manner

but did not receive it until late August 2024. I think Admiral, if it had handled the claim fairly should have then been making its claim settlement to Mr C by no later than mid-September.

Previously Admiral told Mr C it would expect him to reimburse its claim outlay. It hasn't to date, sought to actually recoup that from him. It now won't be able to because I am directing the claim to be accepted and settled.

Clearly, from around June 2024 onwards, Mr C was very upset by the course of the claim. I know he took action to mitigate his situation by borrowing money from family to buy another vehicle. I accept that would have been a difficult thing for him to have to do. And I know he was very distressed, towards the end of 2024 when Admiral began to make its belated enquiries about who was at the home. At that time it required phone records to be provided – I think they were likely more difficult for Mr C to obtain at that juncture than if he'd been asked for them immediately after the theft. And I'm aware that Admiral's 2025 allegation of fraud was particularly upsetting for Mr C. Given the prolonged period of the claim, belated enquiries and the unfairly made accusation of fraud, I think compensation of £750 is fairly and reasonably due.”

Mr C said he accepted my findings. Admiral asked that they were reviewed.

Admiral set out a list of concerns it has with various detail obtained during the claim – such as what it thinks of as discrepancies in what Mr C told it. It implied Mr C must have known from the outset that the van had been stolen using a key and he should, therefore, have openly volunteered the detail that there had been guests in his house that night. It said it had “investigated as much as [it] could do and all evidence points to fraud”. It concluded with an explanation of what it thinks happened on the night of the theft, meaning (it said) this was “Likely a genuine theft, albeit from someone in the house”.

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 know Admiral has concerns about detail it was told and some things it became aware of during the course of the claim e.g. that Mr C had told the police the van had been “hot-wired” when that was not the case. But as I said provisionally, even if Mr C did provide misleading information, Admiral would have to show he did so *knowingly*.

I note Admiral said it had done all it could to investigate this claim. I note in its reply, Admiral has again sought to blame Mr C for not assisting it with its enquiries. For example it says it was given an incorrect address for the witness and Mr C could have volunteered details, at the outset, about who was staying over.

I know Mr C does not know why Admiral thought the address he gave was incorrect, and Admiral has never really answered that. But what Admiral knew was Mr C's address. And from the description Mr C gave it wouldn't have been difficult to work out which neighbour he was talking about. It wouldn't have been difficult for Admiral to make enquiries beyond the address Mr C gave it. Admiral, when it knew shortly after the theft that entry to the van had likely not been forced, could also have asked Mr C who was in the home that night. So I don't, on this occasion, agree that Admiral ‘did all it could’ to complete reasonable investigations. And, in my view, the evidence it did gather, from the enquiries it did make, was not strong enough to support an accusation of fraud.

With all that said though, it is Admiral's closing point of its reply to my provisional findings that most simply shows why its accusation of fraud was not fairly and reasonably made.

Admiral said it is satisfied this was “Likely a genuine theft, albeit from someone in the house”. Admiral has not gone so far as to say or try to establish though that someone *normally living* in the house was responsible. And as I said provisionally, the policy only precludes a claim for a theft by someone who normally lives in the house – not just anyone happening to stay/be in it. And it is only if Mr C “knowingly misled” Admiral whilst trying to gain cover for something which he was not entitled to – in this case a theft by someone normally living in the home – that Admiral could fairly say a fraud has likely occurred.

Having considered Admiral’s reply to my provisional decision, my view on the complaint has not changed. As such my provisional findings, along with my further comments here, are now the findings of this, my final decision.

Putting things right

I set out detail provisionally which explained the awards I was likely to make, but also why I did not need, in this case, to make some other awards (which will often be appropriate in a complaint like this). My views on those matters have not change. So, here, I can now confirm that I require Admiral to:

- Accept the claim and settle it in line with the remaining policy terms and conditions.
- To any settlement paid, add interest* applied from 15 September 2024 until settlement is made.
- Pay Mr C £750 compensation.

To be clear – Admiral is precluded from trying to recoup from Mr C its claim outlay.

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require Admiral to take off tax from this interest. If asked, it must give Mr C a certificate showing how much tax it’s taken off.

My final decision

I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to provide the redress set out above at “**Putting things right**”. Under the rules of the Financial Ombudsman Service, I’m required to ask Mr C to accept or reject my decision before 12 December 2025.

Fiona Robinson

Ombudsman