

The complaint

Mrs J complains about the way One Insurance Limited handled a theft claim under a motor insurance policy.

Reference to One Insurance includes the actions of its agents.

What happened

I issued a provisional decision. I set out the following:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mrs J held motor insurance with One Insurance. Her car was stolen after the keys were stolen from her home in a break in. Mrs J made a claim against the policy. The car was found the next day, taken by the police and later collected by One Insurance. One Insurance said the car was a total loss. Mrs J complains, in brief, much of the damage to the car was caused by One Insurance rather than the theft and she's lost out as a result. One Insurance says, in brief, the thief caused the damage.

I find on the evidence available to me, and on the balance of probabilities, it's more likely than not One Insurance's actions, rather than those of the thief, or anything that occurred prior to the theft, caused much of the damage to Mrs J's car. I say this for the following key reasons:

- I am satisfied it's more likely than not Mrs J's car was in good condition prior to the theft. The report carried out by One Insurance confirms this. The independent report later undertaken in June 2025 also sets out the car was found to be in excellent condition for its age.
- The car was stolen and found the next day on a residential street five miles away. The car was said to be found in good condition without accident damage. But Mrs J claimed on the policy in any case as a telematics box was missing, and new keys and locks were required. It follows it was initially considered Mrs J's car had only suffered some minor damage resulting from the theft-incident.
- The police told Mrs J the thief likely parked the car to establish whether it had a hidden tracker, to return to it later. While we'll never know the exact intention(s) of the thief, I find this to be plausible and consistent with the evidence available. There was no damage noted to the car when found, and a telematics box was likely removed to mitigate the prospect of the car being found. It follows that it seems unlikely Mrs J's car would have sustained significant damage between the time the car was stolen, to being found the next day five miles away.

- Mrs J's car was stored by the police in a garage I'll call "A1". A1 said the wheels were straight when they recovered it. One Insurance then arranged recovery, but this failed. A1 said the car was winched onto a truck, but they suspected this was put in the wrong place causing the arm to snap. The car was then unloaded by One Insurance onto the road outside A1's premises, and A1 told One Insurance its agent snapped the track rod end, and the car had steering damage. I find this supports One Insurance more likely than not caused damage to Mrs J's car.
- One Insurance took possession of the car, so it follows a second recovery must have occurred. I have been presented with no material evidence about this recovery, but it seems to me given the damage to the car it would more likely than not have been less straightforward than the first recovery. I say this because A1 told One Insurance it would require "winching and slippys" for this recovery. There was therefore more scope of additional damage, especially to the underside of the car, to be caused.
- One Insurance inspected the car and considered it a total loss predominantly due to the need for new parts and damage to the underside of the car. Such damage was also noted by the independent engineer. I find this type of damage consistent with a failed recovery and/or transit rather than the theft-incident circumstances described. Nor has One Insurance provided compelling supporting evidence that demonstrates Mrs J's car had pre-existing damage that occurred prior to the February 2025 loss.
- Further, I've reviewed photos of the car. The main areas of damage appear to be on the underside of the car, such as cracks, scuffs, markings and dents. I find this type of damage more consistent with a failed recovery and/or transit, rather than being consistent with the circumstances surrounding the theft in this specific case, following the car being driven five miles. And as I mentioned above, nor do I find One Insurance has demonstrated this damage occurred prior to the February 2025 loss.

As I find it more likely than not One Insurance caused much of the damage to Mrs J's car, I must now decide what impact this had. I'm satisfied but for the damage One Insurance caused, the car would most likely have been repaired and returned to Mrs J, and she would have been kept mobile in a courtesy car for the duration of the claim.

Mrs J lost her car (which she says had sentimental value), felt forced to ultimately purchase a replacement car, and she's suffered a great deal of distress and inconvenience because of what happened to her car, and getting little by way of support from One Insurance because I don't find its handling of this matter was helpful nor satisfactory.

It's no longer practical for One Insurance to repair the car. So, to ensure Mrs J doesn't lose out financially it should (as it has offered) pay her the fair market value of her car. But it should ensure internal and external records show the claim as it would have been, but for the damage One Insurance caused to the car. I'm not aware of any other financial losses.

This matter has had a substantial impact on Mrs J at what was already a difficult time given her home was broken into and her car stolen. It follows compensation is appropriate. I find, taking everything into account, including the hassle Mrs J has had,

and the considerable efforts she's had to make to support her claim, £1,000 compensation fairly and reasonably reflects the distress and inconvenience Mrs J was caused.

My provisional decision

I intend to uphold the complaint and require One Insurance Limited to:

- Settle the claim by paying Mrs J the market value of her car in line with the policy terms and conditions; and
- Update internal and external databases by removing any record of this claim being a total loss claim, and update the claim costs to reflect the claim-related damage; and
- Pay her £1,000 compensation in total for the distress and inconvenience caused."

Responses to my provisional decision

Both parties responded to my provisional decision.

Mrs J said, in summary, despite One Insurance damaging her car – which is now unable to be returned to her – she is out of pocket. Her financial loss she's explained refers to the market value settlement offered to her by One Insurance following its final response letter responding to this complaint. Mrs J has said this amount is not enough to replace her car on the market. She also queried what I meant by One Insurance updating database records.

One Insurance said, in summary, it didn't think £1,000 compensation was fair. And it too asked for clarity regarding my intended direction for it to update database records in respect of the claim costs.

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 Mrs J is dissatisfied with the market value settlement amount offered by One Insurance. The complaint Mrs J brought to our Service however was in relation to her dissatisfaction regarding the way in which One Insurance handled her car while dealing with this claim, which resulted in further damage. The market value settlement offer came after One Insurance's response to this complaint. It follows the market value settlement falls outside of the scope of my decision, and Mrs J will need to raise a complaint regarding the settlement to One Insurance for it to respond to in the first instance.

I'm persuaded the theft-related damage to Mrs J's car was minor, and One Insurance's actions caused further, additional damage, and therefore its claim outlay increased. I therefore said I intended to require One Insurance to update any claim databases to reflect what the claim outlay would have been to it had things happened in the way they should. That is – Mrs J's car would have been collected, repaired, Mrs J would have been provided a courtesy car while repairs took place, and her car would have been returned to her. Both parties queried this aspect of my decision, so I've reflected on this and considered the responses.

Having done so, it follows that One Insurance is ultimately required to accurately record its

actual outlay for this claim (the cost of the claim to it). That means in this case, an accurate reflection of its total outlay would include the total settlement paid to Mrs J to settle the claim in line with the policy terms (i.e. the market value settlement). So, recording what it *would have* incurred for the claim, had it been handled in the way it should, would therefore not be an accurate reflection of the claim costs it's required to record.

One Insurance has also said a record of the total claim-related costs do not affect customers within the motor industry. And the relevant factor for insurers when rating the risk presented by a policyholder when calculating a premium is whether the claim was deemed fault or non-fault (this means whether an insurer was able to recover its claim outlay in full or not). In this case, the claim was recorded as a fault claim given it involved the theft of a car with no third-party One Insurance can recover its claim outlay from.

I've thought about One Insurance's comments regarding the costs involved in a claim, and other insurance providers. While claim costs may not be a factor One Insurance take into consideration when rating and pricing a policy based on this statement, I'm not satisfied this applies to the rest of the motor insurance industry. I say this because insurers will have differing underwriting criteria, and appetite for risk, amongst many other factors.

So, it follows, in thinking about what I've set out above, while I won't be directing One Insurance to update claim databases, I'll be directing it to provide Mrs J with a letter setting out the claim outlay it would have incurred had things gone the way they should, but for the additional damage it caused to the car. Mrs J can present this letter to future insurance providers for consideration when applying for motor insurance.

Finally, I maintain One Insurance's handling of this matter was unhelpful and unsatisfactory. The way in which it handled the claim while attempting to recover Mrs J's car, and while it was in its care, caused Mrs J a great deal of distress, inconvenience, and effort to support her claim. It follows I maintain £1,000 compensation in total to be fair, reasonable and proportionate to reflect One Insurance's service failings and the impact on Mrs J.

Putting things right

For the reasons mentioned above, I uphold the complaint. I now require One Insurance Limited to:

- Settle the claim by paying Mrs J the market value of her car in line with the policy terms and conditions; and
- Provide Mrs J with a letter in line with my instructions above she can provide to future insurance providers if appropriate; and
- Pay her £1,000 compensation in total for the distress and inconvenience caused.

My final decision

I uphold the complaint. One Insurance Limited must settle this complaint in line with my instructions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 30 December 2025.

Liam Hickey
Ombudsman