

The complaint

Ms A complains that a claim has been unfairly declined by Acasta European Insurance Company Limited on her Guaranteed Asset Protection (GAP) policy.

What happened

The history of what happened is well known to both parties, so I won't go into them in detail here. In summary, Ms A raised a claim on her GAP policy after her car was written off. Acasta declined the claim as they felt it was fraudulent. Ms A was unhappy and raised a complaint. Acasta didn't uphold the complaint as they didn't think they'd done anything wrong. Still unhappy, Ms A brought the complaint to this service.

Our investigator upheld the complaint. He didn't agree that it was most likely the claim was fraudulent and thought Acasta should assess the claim further. Acasta appealed. They maintained that they thought based on the information provided it was most likely the claim was fraudulent. As no agreement could be reached, the complaint has been 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.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it. So, I've thought about whether Acasta acted in line with these requirements when it declined Ms A's claim.

Having done so, and whilst I appreciate it'll come as a disappointment to Acasta, I've reached the same outcome as our investigator.

At the outset I acknowledge that I've summarised her complaint in far less detail than Ms A has, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

As a starting point, it's important to understand what the terms and conditions say. Acasta have used the following term to decline the claim:

“8.5 Fraudulent claims or misleading information

We take a robust approach to fraud prevention. If any claim under this insurance is fraudulent or is intended to mislead, or if any misleading or fraudulent means are used by

you or anyone acting on your behalf to obtain benefit under this insurance, your right to any benefit under this insurance will end, your cover will be cancelled and we will be entitled to recover any benefit paid and costs incurred as a result of any such fraudulent or misleading claim. We may also inform the police."

The accusations Acasta have made against Ms A for the reasons they believe the claim is fraudulent are well known to both parties. So, I'm not going to set them out again here. However, I can confirm I've considered them all in detail. Based on what I've seen, I don't think Acasta have acted fairly in declining the claim. I don't think based on the evidence they've supplied that it's most likely Ms A's claim is fraudulent. Most of Acasta's evidence is circumstantial. There is also no evidence that Ms A knew the third party involved in the accident. The third party's insurer also paid Ms A's claim in full. So, I think Acasta should continue to assess the claim further.

Putting things right

To put things right, Acasta should continue to assess the claim in line with the policy terms and conditions.

My final decision

For the reasons I've explained above, I uphold this complaint and direct Acasta European Insurance Company Limited to put things right by doing as I've said above, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 5 March 2026.

Anthony Mullins
Ombudsman