

## **The complaint**

Mr S complains that AXA Insurance UK Plc (AXA) unfairly declined his theft claim under a motor insurance policy.

## **What happened**

Mr S has a motor insurance policy, underwritten by AXA. In October 2025, Mr S dropped his car at a friend's house to complete a service. The car was subsequently stolen and so Mr S raised a claim under his policy. AXA declined the claim as it said the circumstances of loss were excluded from cover. Unhappy with AXA's decision, Mr S complained.

AXA didn't uphold the complaint. It said it was satisfied its decision to decline the claim was fair and in line with the terms of the policy. As Mr S remained unhappy, he referred his complaint to this Service.

Our Investigator didn't uphold the complaint. They thought AXA's decision to decline the claim wasn't unreasonable. They noted Mr S had revised his account of the circumstances leading to the loss for AXA to reconsider. But they said they didn't find AXA's subsequent decision to decline the claim unfair in the circumstances.

Mr S disagreed with the outcome and asked for an Ombudsman to make a final decision. So, the case has 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.

I know I've summarised the circumstances of this case in less detail than presented. But I want to assure both parties that I've carefully considered all the information provided. I may not respond to every point or piece of evidence. But I've focused on the issues I consider to be key to the outcome of the case. This isn't meant as a discourtesy but reflects the informal nature of this Service – and the rules this Service are expected to adhere to enable me to do this.

I recognise having a car stolen would be a considerably upsetting and worrying time. While I'm empathetic to the circumstances leading to Mr S's claim and subsequent complaint, my role requires me to independently decide whether AXA has acted fairly and reasonably in declining Mr S's claim. Having done so, I do not uphold his complaint. I appreciate Mr S will be disappointed with my decision, but I'll explain why.

Relevant regulatory rules say firms must handle claims promptly, fairly, and mustn't unreasonably reject a claim. So, the starting point with any insurance claim is the policy terms and conditions which sets out the basis of cover between the insurer and its policyholder. Under the terms of Mr S's policy, AXA will pay a claim for loss or damage as a result of theft, attempted theft, fire, lightning or explosion. However, the policy terms go on to say that AXA won't pay a claim if the following exclusions apply:

*“10. Loss of or damage to your car if, at the time of the incident, it was under the custody or control of anyone with your permission who is not covered under this policy.*

[...]

*19. Any loss or damage if at the time of the incident your car key, key fob or key card is under the custody or control of anyone with your permission who is not covered under the policy.”*

When Mr S originally notified AXA of the claim, he said that upon dropping the car off at his friend's property for a service, he posted the car keys through his friend's letterbox and then walked home. Mr S also confirmed that his friend had called him the following day to confirm whether Mr S had dropped off his car, as this wasn't present at his address, and that he was in receipt of the keys.

So, as Mr S's own account confirmed he left the car and its keys in the custody of someone not covered under the policy, I don't find AXA's decision to decline Mr S's claim to be unfair, as following a strict application of the terms, this is something excluded under the policy.

Following the decline of his claim, Mr S said he made a mistake when providing the circumstances leading to the loss, and while he originally thought he had posted the keys, he in fact had retained them.

AXA arranged for further investigations to be carried out which involved Mr S and his partner providing further statements of what happened. In these statements, Mr S and his partner provided accounts which had significant differences to those described in Mr S's original statement. Given the differences, I can understand AXA's concerns as these accounts show inconsistencies between Mr S and his partner, as well as Mr S's original statement. So, it follows that I don't find it unreasonable for AXA to have concerns about the validity of the claim presented.

I also don't find it unreasonable for AXA to place more weight on Mr S's original statement. I say this as the information he originally provided was much nearer to the time of loss, and so usually reflects a more accurate picture of the circumstances. And Mr S and his partner's revised statements were provided approximately a month later. Given the revised accounts were provided a month later, and contained significantly different circumstances, I would expect to see evidence that supports the later accounts. This doesn't appear to be the case here. So, I'm satisfied Mr S has been unable to satisfactorily resolve AXA's concerns about the claim. It follows that I don't find it unreasonable for AXA to maintain its decision to decline Mr S's claim.

I recognise Mr S's frustrations that his claim hasn't been paid, and he is now being pursued by the finance provider he used to purchase his car. However, AXA's obligation was to consider Mr S's claim in line with the terms of his policy – regardless of how Mr S originally purchased his car. And for the reasons I have explained above, I'm satisfied AXA has considered Mr S's claim fairly, in line with the terms of his policy and relevant regulatory rules.

### **My final decision**

My final decision is that I do not uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 April 2026.

Oliver Collins  
**Ombudsman**