

The complaint

Miss E complains that her key cover insurer, Financial & Legal Insurance Company Ltd, unfairly turned down a claim she made on her policy.

What happened

In August 2025, Miss E made a claim on her key cover policy after the key blade for her car became detached from the key fob. Miss E said she didn't know how this had happened and that the blade fell off and she wasn't able to find it.

Miss E said she called Financial & Legal to make a claim but it didn't call her back to validate the claim till the following day. As she had no spare key, this meant she wasn't able to use her car and missed work for a day.

Financial & Legal told Miss E that it wouldn't cover her claim as there was no proximate cause because she wasn't able to explain how the blade broke, whether it was caused by an accident for example. Miss E said she was also told that if Financial & Legal sent an agent to her it would cost over £300.

Miss E then complained and said that she had to pay £50 for a replacement fob which she wanted to be reimbursed for.

Financial & Legal didn't uphold the complaint and said that as the cause of the key damage was unknown, it was probably due to wear and tear or defect which isn't covered under the policy. Miss E then brought her complaint to our service.

One of our investigators reviewed Miss E's complaint but didn't think Financial & Legal had to take further action.

Miss E didn't agree and asked for an ombudsman's decision. She said she'd only had the car for a short time so the cause couldn't be wear and tear. Our investigator didn't change his view and said that though Miss E didn't own the car for a long time, it was first registered in 2018 so the car itself wasn't new and so wear and tear was more likely.

The matter was then 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.

The policy says that, among other things, Financial & Legal will pay for repairs to or

replacement of keys or locks following loss, theft or accidental damage to the insured keys to the insured's principal home or vehicle. There are also exclusions which include claims where repairs or replacement is required due to damage caused by age or natural wear and tear. There is also a separate exclusion which excludes damage resulting from a manufacturing or design defect or maintenance, installation or repairs not carried out in accordance with the manufacturer's instructions or legal or regulatory requirements.

Financial & Legal said that when Miss E reported the claim she said the blade had fallen off and that she couldn't find it. She wasn't able to explain how this happened, but she said that the key seemed fine when she last used it.

Having considered everything I don't think that Financial & Legal has acted outside the terms of the policy by not covering the claim. I agree that as Miss E hasn't been able to point to a particular event which could have caused the damage to the key it is more likely than not that the blade fell off as a result of wear and tear or lack of maintenance. I appreciate Miss E says she hadn't noticed anything wrong with the key before the blade went missing but this doesn't mean that there was no wear and tear; which isn't always visible; especially bearing in mind that the car was a 2018 registration. I appreciate Miss E says she only bought the car in 2023 but as our investigator said, any wear and tear could have started earlier and developed over time.

I've also considered whether Financial & Legal's delay in returning Miss E's call, or the information she was given about the potential cost of sending an agent, affected the outcome of the claim or caused additional unfairness. While I appreciate that the delay was inconvenient, it didn't change the condition of the key or the reason the claim was declined. For this reason, I don't think it is something that requires compensation.

I appreciate Miss E will be disappointed with my decision but as I said above I don't think that Financial & Legal, as her insurer has acted in any way which was outside its terms and conditions or in a way which was unfair or unreasonable.

My final decision

For the reasons above I have decided not to uphold this complaint.

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

Anastasia Serdari
Ombudsman