

## **The complaint**

Mrs J complains that Admiral Insurance (Gibraltar) Limited (Admiral) declined a claim she made under her car insurance policy.

## **What happened**

Mrs J had car insurance with Admiral. The named driver on the policy was stopped by the Police whilst driving, and the Police seized the vehicle as it was determined to be a clone.

After making a claim to Admiral for loss of the vehicle, Mrs J provided them with information from when she purchased it from a used car dealer. This included the checks she carried out before purchase. However, Admiral ultimately declined the claim as they said there was an exclusion in the policy for vehicles seized by government, local or public authority.

Mrs J complained about the claim decision to Admiral, but they maintained their position. As Mrs J remained unhappy, she approached the Financial Ombudsman Service.

One of our investigators looked into things but he didn't uphold the complaint. He said Admiral had fairly relied on the seizure by authority exclusion to decline the claim and he said that even if they hadn't, Mrs J didn't have insurable interest in the vehicle in any event.

Mrs J didn't agree and asked for a final decision from an ombudsman.

I reached the same overall outcome as our investigator, but for different reasons. So, I issued a provisional decision to give both parties the opportunity to comment on my initial findings before I reached my final decision.

## **What I provisionally decided – and why**

In my provisional decision, I said:

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

*I'm issuing a provisional decision. I've reached the same overall outcome as our investigator, but for different reasons. So, I'm issuing a provisional decision, to give both parties an opportunity to comment on my initial findings before I reach my final decision.*

*Mrs J has made various arguments about why her claim should be covered. But I don't intend on addressing every point or argument that has been made. Instead, I'll focus on what I think is key when reaching my decision on what is fair and reasonable in all the circumstances of the case. I don't mean this as a discourtesy to either party, instead it reflects the informal nature of this service and my role in it. Having said that, I'd like to reassure both parties I've considered all the information they've provided.*

*I'll firstly outline though that I'm very sorry to hear of the situation Mrs J has found herself in through no fault of her own. I recognise Mrs J purchased the car in good faith, from a registered second-hand car dealer, after carrying out her own checks on the vehicle beforehand. And now, having transferred more than £15,000 for the vehicle, Mrs J no longer has those funds, or the vehicle she thought she was purchasing. But, whilst I sympathise with this, I don't think Admiral has acted unfairly by declining the claim under Mrs J's insurance policy. I'll explain why.*

*Mrs J's vehicle was seized by the Police, and it was determined to be a cloned car. It was then passed on by the Police to the original insurer that settled the previous rightful owner's theft claim. Admiral (and our investigator) have referred to the following exclusion in Mrs J's policy:*

*"We will not pay:*

*....*

*11. For loss or damage if your vehicle has been seized or destroyed by any Government, Public or Local Authority."*

*Mrs J has argued why she thinks it isn't fair to apply that exclusion. However, although I recognise that exclusion is in the policy terms, I don't think that's key in deciding whether, overall, Admiral has acted reasonably by declining the claim. I'll explain why.*

*Like most car insurance policies, Mrs J's policy outlines the insured events that are covered. It then has a list of exclusions (including the exclusion outlined above). The starting point, before considering whether any exclusions apply, is that an insured event needs to have occurred. If an insured event has occurred, the claim is then payable, unless an exclusion means it then shouldn't be paid.*

*So, for the above exclusion to be relied on as a reason not to pay Mrs J's claim, the starting point would need to be an insured event occurring. If there isn't an insured event in the first place then the claim simply isn't covered, regardless of any exclusions in the policy. And I think that's the case here.*

*Alongside liability to third parties i.e. if there had been an accident (which isn't relevant here), Mrs J's policy outlines the types of loss or damage to the vehicle that cover is provided for by the insurance policy:*

*“Cover for your vehicle  
If your vehicle is lost or damaged due to:*

- an accident*
- vandalism*
- fire or lightning*
- theft or attempted theft*

*you will be covered for damage to:*

- your vehicle”*

*The vehicle wasn't lost or damaged due to an accident, fire, or lightning. And it wasn't vandalised or stolen. Instead, it was seized by the Police because the vehicle was a clone. That isn't an insured event under the policy, only the above events are. Whilst there is an exclusion in the policy which mentions loss due to seizure, that's only relevant if there is an insured event in the first place that would otherwise be covered. The fact here is that an insured event hasn't occurred, so the loss simply isn't covered. And an exclusion isn't needed to decline the claim.*

*I recognise Mrs J has made various arguments including that the exclusion wasn't highlighted and therefore why she says it isn't then fair to rely on it. However, I don't need to consider or decide whether that's the case or not, as that exclusion isn't key in why the claim isn't covered, instead, it's because an insured event hasn't actually occurred.*

*Our investigator and Mrs J have also debated whether Mrs J had insurable interest in the vehicle. And Mrs J has said her loss here is the insurable interest. However, as above, the event not being covered in the first place is why I think the claim has been fairly declined, and loss of insurable interest isn't an insured event either. So, I don't need to decide whether Mrs J has insurable interest in the vehicle that was seized, as that's not why the claim isn't covered here.*

*I also note Mrs J has referred to a previous final decision issued by this service (from more than ten years ago), which she says supports her arguments in having insurable interest. However, each case is looked at on its own merits. And whilst I don't know the specifics of that case, the circumstances do appear different to hers in that the cloned vehicle was actually stolen and not recovered, rather than seized. But regardless, like I say, insurable interest isn't the deciding factor here, as ultimately an insured event didn't occur as a starting point.*

*I also recognise that Mrs J argues that theft of the original vehicle from its rightful owner is ultimately what has resulted in the vehicle being seized from her. But that isn't an insured event, and she hasn't suffered a theft, the original owner was the person that suffered the theft, and they were able to claim under their insurance policy for that.*

*Like I say, I do sympathise with the position Mrs J has found herself in through no fault of her own. But that doesn't mean Admiral are then responsible for reimbursing her the money she's lost when it isn't an event covered by her policy. I'm unsure if Mrs J has attempted to raise the issue of being sold a cloned car with the dealer she bought it from. And our investigator also suggested she may wish to contact her bank as she paid by bank transfer. But here, my consideration is whether Admiral has fairly declined the claim overall, and for the reasons outlined above, I think they have.*

*I also note Admiral said in their communication with Mrs J:*

*“There will be no effect on your no claims bonus, and we will remove this incident from our records....*

*Any cover for this vehicle with us has now been cancelled. As no claim has been made on the policy you will be due a refund of premiums...”*

*And I think that is fair.*

*Therefore, unless anything changes as a result of the responses to my provisional decision, I won't be directing Admiral to do anything further.”*

Therefore, I wasn't minded to uphold the complaint.

### **The responses to my provisional decision**

Admiral acknowledged the provisional decision and didn't provide any further comments.

Mrs J didn't respond by the original or extended deadlines, so I'm now moving forward with my 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.

And I've thought carefully about the provisional decision I reached. As neither party has provided anything in response to my provisional decision that would lead me to reach a different conclusion, my final decision remains the same as my provisional decision, and for the same reasons.

### **My final decision**

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 19 May 2026.

Callum Milne  
**Ombudsman**