

## **complaint**

Mr B as the owner of company P, and Mrs A complain that Aviva Insurance Limited has refused a claim for vandalism to Mrs A's car as it says it has no insurable interest in it.

## **background**

Mrs A took out a hire purchase agreement to buy a car. The car was to be used as part of her job with P. She was its registered keeper but P paid her the money for the monthly payments of the hire purchase agreement. Mr B considered the car was P's property because of this payment arrangement. Mrs A had agreed that the car would be signed over to P once the finance was fully paid off.

P had commercial motor insurance for the car with Aviva. And P made a claim under the insurance after the car was vandalised. But Aviva refused the claim and said there wasn't an insurable interest in the car as it was registered to Mrs A, and she was the owner as she'd taken out the hire purchase agreement to buy it.

Our investigator didn't think the complaint should be upheld. He said Mrs A had entered into a finance agreement to buy the car and this showed that she owned it. Although there was an arrangement in place to change this ownership over to P at the end of the hire purchase period, this meant the car wasn't owned by P at the time of the incident claimed for. He said P's insurance excludes cover for motor vehicles owned by employees of the policyholder.

Mrs A and Mr B didn't accept the investigator's findings and asked for the complaint to be reviewed.

## **my findings**

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

I do appreciate the background circumstances of why the finance agreement was taken out by Mrs A, and that the intention was that the ownership of the car would transfer to P once this had been paid off.

P gave Mrs A money each month to pay the hire purchase agreement, but I don't think this means the car could be said to be owned by P when both the finance to buy it and the registration documents were in Mrs A's name.

P's insurance specifically excludes *"Motor Vehicles owned by the employees of the Policyholder or hired, leased or lent to them"*. And I think this applies to this situation. I know that this has caused financial difficulties for P, and upset and frustration for Mrs A and Mr B. And I'm sorry for that. But in the particular circumstances here, I think Aviva has acted within the terms of the insurance when refusing this claim.

**my final decision**

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B, on behalf of P, and Mrs A to accept or reject my decision before 29 August 2017.

Cathy Bovan  
**ombudsman**