

## **complaint**

Miss S has complained that Zenith Insurance Management UK Limited scrapped her car when she made a claim under her motor policy and didn't consider her claim because her car didn't have a valid MOT when it was damaged by fire.

## **background**

Miss S bought her motor policy with Zenith in July 2014. While Miss S was away from her home overnight, neighbours saw a man throw something at her car which was parked on her driveway and it set fire. The police and fire brigade were called. When Miss M returned home, she made a claim to Zenith as her car was insured for third party, fire and theft.

Zenith asked Miss S to send her current MOT certificate along with other documents but Miss S couldn't do this as the MOT on her car expired in March 2014. She said that she couldn't afford to pay for an MOT and the DVLA advised her to either declare the car SORN or keep it in on her driveway and insure it. She said she chose to insure it.

Zenith told Miss S that a term of its policy was that her car must have a valid MOT. Because it didn't when her car was fire damaged, it wouldn't settle her claim. Her car was with a salvage company as Zenith arranged for it to be removed for assessment. Zenith arranged for Miss S's car to be scrapped as it was declared a total loss due to the damage.

Miss S was unhappy with Zenith's decision. She felt that Zenith should have allowed her to deal with her car and scrap it herself. She believed that Zenith made a profit from scrapping her car and taking her premium for her policy from her too.

Zenith said that its policy clearly set out that it wouldn't pay for any incidents where there wasn't a valid MOT in place at the time. So it didn't reconsider her claim.

Miss S brought her complaint to us. The adjudicator who investigated it recommended that it should be upheld. She was of the view that the incident of the fire itself had no impact on the policy's exclusion. So she didn't think Zenith was fair to apply its exclusion because of a lack of an MOT. She recommended that Zenith consider Miss S's claim under the remaining terms and conditions of her policy.

Zenith didn't agree. It said that whilst it accepted that the lack of MOT wasn't a contributory factor to the damage to Miss S's car, there was nothing to show that her car was roadworthy. And it was flexible in its view around expired MOTs, but in this case it wasn't unreasonable to apply its exclusion as the MOT had expired over six months before the incident. It felt that the fact that the car was without a valid MOT for over six months not only breached the terms of its policy, but was illegal.

So the matter has been referred to me to decide.

## **my findings**

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

It's not unusual for insurers to include a requirement that a car is kept in a roadworthy state. When deciding whether it was reasonable for an insurer to reject a consumer's claim, we look for evidence that the loss or damage was mostly likely caused – or was significantly contributed to – because the vehicle wasn't roadworthy.

Zenith says that it would still consider a claim where an MOT had expired depending on the length of time that has passed. It doesn't believe that it's wrong to reject Miss S's claim because when she bought her policy back in July, the MOT had already expired. So the length of time that Miss S's car was without a valid MOT was unreasonably long.

However, in this case, the roadworthiness of Miss S's car isn't relevant to the incident that led to Miss S's claim. The circumstances are that her car was set on fire as a result of vandalism. So I don't think Zenith has been reasonable to Miss S in deciding to reject her claim because the exclusion it has applied isn't material to the loss caused by the fire.

So I think that Zenith should now consider Miss S's claim under the remaining terms and conditions of Miss S's policy.

### **my final decision**

For the reasons given above, my final decision is that I uphold this complaint and I require Zenith Insurance Management UK Limited to consider Miss S's claim for fire damage under the remaining terms and conditions of her policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 4 February 2016.

Geraldine Newbold  
**ombudsman**