

complaint

Mr R is complaining that AXA Insurance UK Plc ('AXA') disposed of his car after he made a claim on his car insurance policy before he could recover his personalised number plate.

background

Mr R's car was stolen from his house so he claimed for his loss under his car insurance policy. AXA settled the claim in line with the policy terms. But, shortly afterwards, his car was found and AXA arranged for it to be sent to its salvage agent and the car was subsequently sold.

Mr R subsequently found out about the sale and complained to AXA because he said it didn't tell him the car had been recovered. And he had a cherished number plate on it. He says it will cost him around £26,000 to replace it.

AXA discussed the matter at length with Mr R, but ultimately thought that he was trying to defraud it by inflating the cost of replacement and by providing fraudulent documentation. It said that it had spoken with the company he'd bought the number plate from and he'd paid around £1,000 for it. So it said Mr R had committed fraud and it said it wasn't going to cover the loss of the cherished number plate. Mr R says he initially paid £1,000 for it, but then sold it to another person for £10,000. But he says that he subsequently bought it back from the other person for £10,000 a few days later. He says it's not possible to replace it and maintains that the nearest equivalent cost around £26,000.

Our adjudicator partially upheld the complaint. He said that Mr R had bought the number plate on finance. And he thought AXA should cover any outstanding finance on it. But he didn't think Mr R had shown that he'd paid £10,000 for the number plate.

Both AXA and Mr R disagreed with the adjudicator's opinion. AXA said that it didn't think there was an insurable loss with the number plate. It said it had paid the market value for the car. It also said that it explained the procedure to Mr R if he wanted to retain the plate from DVLA. But it says that he failed to do that. It said that once it issues a settlement the car becomes AXA's property. So it didn't think it had acted unfairly in selling it.

Mr R provided a copy of his bank statement which he says show that he sold the plate for £10,000. He says he was going to buy it back, but never did. He said he was going to hold onto the number plate until the lease ended.

I issued a provisional decision in September 2018 not upholding this complaint. I said I didn't think it was disputed that AXA shouldn't have disposed of Mr R's car before he was given the opportunity to remove his personalised number plate. And I said AXA's notes to the salvage agent said that it told the salvage agent not to dispose of the car until the issue with the number plate was resolved. I said the issue for me to decide was whether AXA should have to compensate him for this.

I said that in any claim for compensation it's a well-established principle that all parties must act in good faith with each other. In reviewing this complaint, I thought Mr R's testimony had been inconsistent and I said I was inclined to agree with AXA that he'd provided false and inaccurate information to inflate his compensation claim.

In particular, I thought Mr R had been very inconsistent in respect to the purchase history of the number plate. And I wasn't persuaded that he has ever 'sold' it on or bought it back. I said firstly, it was clear that the registration on his car hadn't changed since he put the personalised number plate on it. I also noted that Mr R said to AXA in October 2017 in response to its request about the purchase history of the number plate:

- *"Sold on the 01/01/2016 approx to Mr H for undisclosed Amount*
- *Bought Back on the 01/06/2016 for £10,000 from Mr H."*

But in an email to the adjudicator Mr R said that he was going to buy the number plate back, but he never actually bought it back. So I thought his testimony was inconsistent in this respect. I also looked at the bank statement he provided which he said shows he received the money for the plate. But I didn't think this supported Mr R's statement as it was a cash receipt, which Mr R then immediately paid to another person. I wasn't persuaded that this payment was for the number plate.

I thought it was unlikely someone would pay £10,000 for a number plate but then not take ownership of the plate. I also thought it was unlikely they'd pay £10,000 for a number plate that only cost around £1,000 to buy a few months previously. Ultimately, I didn't think Mr R has given us enough to support his statement that he's lost £10,000 on the number plate. And I didn't think it was unfair for AXA to conclude that he'd provided false information to unfairly profit from this.

Given this, I said that I couldn't say that AXA's decision to not compensate Mr R is unfair in this case.

Neither party responded to my provisional decision.

my findings

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

As neither party has given me anything else to think about, I see no reason to reach a different to the one I reached in my provisional. So I don't uphold this complaint for the reasons I set out in my provisional decision.

my final decision

For the reasons I've set out above, 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 Mr R to accept or reject my decision before 18 November 2018.

Guy Mitchell
ombudsman