

complaint

Mr and Mrs S have complained that AXA Insurance UK Plc turned down a claim on their caravan insurance policy.

Mr and Mrs S have instructed a firm of solicitors to represent them. But, for ease, I'll refer to the solicitor's comments as being those of Mr and Mrs S.

References to AXA include its agents.

background

Mr and Mrs S's caravan was stolen and sold to a new owner. Mr and Mrs S claimed on their policy but AXA turned their claim down.

Mr and Mrs S brought their complaint to us. The adjudicator noted AXA had offered Mr and Mrs S £200 compensation in recognition of the delays it caused, which he thought was reasonable. And otherwise he felt that AXA had dealt with Mr and Mrs S fairly.

Mr and Mrs S didn't agree and asked for an ombudsman's decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not going to uphold it.

AXA has refused Mr and Mrs S' claim as it says that their caravan was taken as a result of deception and that is specifically excluded in their policy.

It might help if I explain that Mr and Mrs S asked the director of the firm where their caravan was stored to arrange some repairs. The director asked them to hand over the caravan's keys and registration document, which they did.

The director then sold their caravan to a genuine buyer who did not know that the director didn't have the authority to sell it. AXA says that the director deceived Mr and Mrs S into parting with their keys and registration document.

Mr and Mrs S said there wasn't any deception just a straightforward theft. They've pointed out that it would be usual to hand over keys when arranging for repairs. I agree with them on that point. But, in this case Mr and Mrs S didn't just hand over the keys, they also gave the director their caravan's registration document.

The director had apparently told Mr and Mrs S that he needed the registration document in order to check hire purchase information (in the event that they wished to sell their caravan in the future). But I can't see why he would need to have that in his possession. So I think it's fair to say he used deception to persuade Mr and Mrs S to give him the registration document. And possession of that enabled him to also persuade a buyer that he was authorised to sell the caravan.

Also, it took some time for Mr and Mrs S to learn that their caravan had been stolen. That's because the director told them that it was away being repaired. He also told them that he's

misplaced their registration document and then that another member of staff had taken it home. In other words he used deception to prevent them from learning earlier that he'd stolen their caravan. So I think it's clear that the director used deception to steal the caravan. And, as Mr and Mrs S's policy specifically excludes cover where the caravan is lost because of deception I think it was reasonable for AXA to refuse the claim.

Mr and Mrs S said that the police have categorised the claim as theft, rather than theft by deception. So they think that AXA shouldn't apply the exclusion. The police haven't explained how they've arrived at their categorisation. But, I don't think how the police have categorised the crime for administrative purposes affects how AXA applies the policy's terms. As I've said above I think that deception was used to steal the caravan. So, it's fair for AXA to apply that exclusion regardless of the police's classification of the crime.

AXA had commented that the deception exclusion term is common in caravan policies. Mr and Mrs S say that AXA hasn't provided any evidence to support that. But I'm aware that such an exclusion is common in such policies. In fact, I've looked at a number of policies currently and recently available and all exclude claims where the loss is because of deception. So I don't think AXA needed to prove that the exclusion was common or to specifically highlight it in the policy.

Mr and Mrs S added that other caravan owners faced similar thefts and have been able to claim against their insurance policies. But I haven't seen any evidence, beyond Mr and Mrs S's comments, that's the case. And I don't know if the circumstances were identical in those cases. So I don't think that affects AXA's decision to refuse Mr and Mrs S's claim.

Mr and Mrs S have also said that if they'd been aware of the policy wording then they would have acted differently. But I'm not persuaded that's the case. In her witness statement Mrs S said that they didn't ask where the director was taking the caravan to be repaired as they "*simply trusted him*". So I don't think that level of trust would have been any different because of an exclusion in their policy. And, on balance, I don't feel they would have acted differently (either in taking out the policy in the first place, or in dealing with the director) if they'd been aware of the exclusion.

Mr and Mrs S also said that the policy wording isn't clear and as such should be interpreted in their favour. But I don't think that's right. Under the heading of "*what is not covered*" the policy says "*Any theft or loss arising from deception*" and I think that's clear and unambiguous.

What's at issue in this case isn't the policy wording but whether or not the thief used deception to deprive Mr and Mrs S of their caravan. And as I've said above I think he did. So, although I do have sympathy for Mr and Mrs S in this unfortunate situation, I don't think that AXA has done anything wrong in declining the claim. I acknowledge that it could have dealt with things sooner but I think the £200 compensation if offered for the distress and inconvenience caused by its delays is reasonable to address that.

my final decision

For the reasons set out above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to Mr and Mrs S to accept or reject my decision before 24 February 2017.

Joe Scott
ombudsman