

complaint

Mr H's unhappy that Tradewise Insurance Company Limited hasn't dealt with a claim on his motor insurance policy.

background

Mr H says his house was burgled on 11 March 2017. His car keys were taken from inside his house and his car, which was parked outside, was stolen. His car was involved in an accident and recovered. He subsequently made a claim on his Tradewise policy. But it's refused to deal with his claim as it says he didn't safeguard his car or report the theft within a reasonable time. Tradewise says this has prejudiced it.

Our investigator felt that this complaint should be upheld. He said:

- He couldn't agree that the vehicle wasn't safeguarded as it was locked and the keys were in Mr H's home. Although leaving a house window ajar might invalidate property insurance it isn't a valid reason not to pay a motor insurance claim.
- The accident happened before Mr H was aware his car had been stolen. He was told of the theft and accident at the same time. Mr H also thought the theft and accident had been reported when the police visited his property on the day of the accident. The police have confirmed this in a phone call. Mr H's representative also reported the theft to Tradewise in a call on 15 March 2017. Tradewise hasn't been prejudiced by any delay in reporting the theft. Not reporting the theft in a reasonable amount of time isn't a valid reason to not pay this claim.
- Tradewise should deal with Mr H's claim.

Tradewise doesn't agree and has asked for an ombudsman review. It says Mr H was risk aware as he commented about burglaries in the area. Yet he still left a window in his house ajar. That was a failure to safeguard. There's no evidence the police visited him or that he was burgled. The loss was reported to Tradewise by the other party's insurer on 17 March 2017 but the theft wasn't reported to the police until 4 May 2017. This jeopardised the any chance of the thief being caught and there were no theft related enquiries made. And the car was disposed of before any investigation could be conducted as to whether it was repairable or not.

my findings

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

Some of the evidence in this case is incomplete, inconclusive or contradictory. So, I've made my decision based on what I think is more likely to have happened than not.

Tradewise has provided detailed submissions. I've read and considered them all. But my findings are expressed in considerably less detail. And they focus on what I think are the main issues.

I agree with the investigator's conclusions for the same reasons.

I think Mr H took reasonable steps to safeguard his car. It was locked and the keys were left in his house. The fact the house was apparently burgled and a window looking onto a private courtyard had been left ajar is unfortunate but I don't think is sufficient to reasonably justify not paying Mr H's claim under his motor insurance policy.

There's some confusion over exactly when the burglary and car's theft were effectively reported to the police. Mr H says he was visited by the police on the day of the accident and the police were aware of the theft and accident then. That is supported by a conversation the investigator has had with the police. Even so it appears the police report may not have been completed until some time later and that's given rise to the suggestion the theft wasn't reported until May 2017. But on balance I think the police were made aware of the theft on the day of the accident. And the police crime report although completed on 4 May 2017 clearly notes the burglary was committed on 11 March 2017.

It appears that the theft of the car was reported in a call to Tradewise on 15 March 2017 by Mr H's representative. That's only four days after the theft and I agree with the investigator that there's nothing to suggest Tradewise was prejudiced by this delay. Tradewise has also said it was told of the accident by the third party insurers on 17 March 2017. The car was examined on 5 April 2017. So, I think it had the opportunity to investigate matters within four or at most six days of the theft and accident.

In addition the police also had the opportunity to investigate the theft after the car was recovered on 11 March 2017. The police report records SOCO recovered it but no forensics were found. It also says the house wasn't examined and ANPR and CCTV were checked with no gain.

On balance I don't think Tradewise has shown it has been prejudiced by any delay in Mr H or his representative reporting the theft a few days after it occurred. And, whenever the theft was actually formally reported to the police they carried out their own enquiries some time earlier after the car was recovered. But unfortunately those enquiries didn't produce any usable evidence.

Taking everything into account I don't think Tradewise has shown it has a valid reason for refusing to deal with Mr M's claim.

I agree with the investigator that it's fair and reasonable for Tradewise to now deal with Mr H's claim in line with the remaining terms, conditions, excesses and limits of his policy. But I think it should also pay interest on any settlement it makes.

my final decision

I uphold this complaint. To put things right Tradewise Insurance Company Limited should now:

1. Deal with Mr H's claim subject to the remaining terms and conditions of the policy including excesses and limits; and
2. Pay simple interest at the rate of 8% a year* on the settlement payment it makes from the date of the theft until the date it pays it.

* HM Revenue & Customs requires Tradewise Insurance Company Limited to take off tax from this interest. It must give Mr H a certificate showing how much tax it's taken off if he asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 21 July 2018.

Stephen Cooper
ombudsman