

complaint

Mr R complains that Enterprise Insurance Company plc has refused to pay his claim for the theft of his Audi R8 FSI Quattro which was insured under his self-drive hire policy.

background

Mr R purchased the Audi on 4 December 2013 for £15,000 and £30,000 part exchange on a Bentley. On 8 December it was stolen from outside his home. Enterprise repudiated the claim for two reasons. First it said that he hadn't shown that he had an insurable interest in the vehicle. Secondly he hadn't complied with the requirement under the policy for all cars with a value in excess of £35,000 to have an operational tracking device.

The adjudicator recommended that the complaint shouldn't be upheld. He accepted that Mr R had produced evidence which showed that he had bought the car, but he said Enterprise was entitled to reject the claim because the vehicle didn't have an operational tracking device.

Mr R didn't accept that finding. He said that the policy schedule allows 45 days for a telematics box to be fitted and he hadn't had time to reactivate the tracking device which had been deactivated two years earlier. He asked for the complaint to be reviewed.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr R couldn't produce a receipt for the purchase of the car and the registration document (V5) hadn't been transferred to his name. But he did provide proof that he had withdrawn nearly £14,000 on the day he bought the Audi and there is some evidence in respect of the part exchange. Given the short amount of time between the purchase and theft of the Audi it isn't surprising that the new V5 hadn't been issued. So although there are some unusual features of the purchase, I agree with the adjudicator that Enterprise should have accepted the evidence that was available as proof of a genuine purchase, as a result of which Mr R acquired an insurable interest in the Audi.

Mr R had taken out the policy with Enterprise three months earlier. The policy is designed to provide cover for the three vehicles Mr R owned in connection with his luxury self drive car hire business. The policy schedule clearly states that:

"all vehicles with a market value in excess of £35,000 must be fitted with an operational Thatcham approved category 5 vehicle tracking device."

Although the tracker on the Audi had been deactivated it could easily be reactivated by phoning the tracking company and paying the subscription.

On 6 December Mr R added the Audi to the policy. I consider that it was reasonable to expect that at the same time as doing this, he would have made sure that all the policy's requirements were met, including a working tracker device.

The value of the car on the insurance schedule is listed as £70,000. Mr R told Enterprise's investigator that he consider the car to be worth £55,000. Given the value of the car as well

as its potential to earn money for his business, I would have expected Mr R to take every possible precaution to make sure he understood and complied with the terms of the policy.

There is no dispute that:

- The Audi was worth more than £35,000;
- The terms of the policy required that any vehicle worth that amount should have an operational tracking device;
- At the time of the theft the tracking device hadn't been activated.

The policy did allow 45 days to arrange for a telematics box to be fitted. But this didn't extend to tracking devices and so isn't relevant to this complaint.

I find that Mr R was responsible for ensuring that the policy's security requirements were complied with. He failed to do so. On that basis I find that Enterprise was entitled to repudiate the claim.

my final decision

My decision is that I do not uphold the complaint. I make no award against Enterprise Insurance Company plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr R to accept or reject my decision before 6 March 2015.

Melanie McDonald
ombudsman