

The complaint

Mr P complains that Berkshire Hathaway International Insurance Limited (BHIL) declined a claim under his motor insurance policy, and complaints about the standard of service he received.

Mr P is represented by his father, also Mr P. For clarity I will refer to the policyholder Mr P in my decision.

What happened

In February 2021 Mr P noticed his vehicle had been stolen and he made a claim to BHIL. He says it had been kept at a friend's property, which he rented part of for storage purposes. Mr P says he had previously tried to add this vehicle onto his policy but hadn't been able to do this online.

BHIL declined the claim. It says a vehicle is covered when it's parked at Mr P's permanent residence, when it's being driven, or when temporarily parked during the course of a journey. It isn't covered when being stored at the location Mr P confirmed. It also says the vehicle wasn't named on Mr P's policy. Had it been made aware of the type of vehicle Mr P wanted to insure its underwriters wouldn't have offered cover.

Mr P didn't think this was fair. He referred his complaint to our service. Our investigator didn't uphold his complaint. He says there is no evidence to show Mr P tried to add the vehicle to his policy prior to the theft. The policy provides cover for specific named vehicles, as the stolen vehicle wasn't listed, Our investigator didn't think BHIL acted unfairly in declining the claim. He also referred to the underwriting criteria that doesn't provide cover for vehicles with this body type.

Mr P disagreed with our investigator's view. He says online reviews for the business give negative ratings, and thinks this service should consider, "*the bigger picture*". Mr P refers to BHIL using entrapment techniques during the first notification of loss call. He says there is no requirement in the policy to update vehicle details on the online register, and the terms don't require motor vehicles covered by the policy to be named.

Mr P says his vehicle was temporarily at another address for the purposes of a sale. He doesn't think it's fair to solely rely on the information provided when the claim was first made. Our investigator didn't change his mind. So, Mr P asked for an ombudsman to review his complaint.

It has been passed to me to decide.

What I've decided – and why

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 have decided not to uphold Mr P's complaint. Let me explain.

Mr P has a commercial insurance policy with BHIL. I have read the policy documents to understand what cover this provides. The policy schedule says:

“Cover – Comprehensive

Vehicles – Any motor vehicle as described on the Certificate of Motor Insurance.”

The certificate of motor insurance says:

“Description of vehicle(s): Any motor vehicle (excluding motorcycles unless rider is permitted by endorsement, vehicles with a G.V.W. in excess of 7.5 tonnes or capable of carrying more than two vehicles, or any vehicle with a seating capacity in excess of eight seats) the property of the insured or in their custody or control for Motor Trade purposes.”

The policy terms say:

“We rely on the information given to Us being correct, complete and representing a fair presentation of the risk, if it was not, You must tell Us immediately, otherwise this insurance may be subject to an increase in premium, change in terms and conditions, Your claim not being fully paid or the Policy may be void and of no effect and the annual premium possibly retained.

You must also tell Us about any future changes which affect the fair presentation of the risk. If You do not, then this insurance may be subject to an increase in premium, change in terms and conditions, Your claim not being fully paid or the Policy may be void and of no effect and the annual premium possibly retained.”

From this I think it's clear Mr P was required to inform BHIL of any changes, including the vehicles he wanted to be insured. The terms also say:

“3. The Company will provide Insurance subject to the terms of this Policy while an Insured Vehicle is:

- a) Being used on any road or temporarily garaged or parked during the course of a journey in or on any premises not owned by or in the occupation of the Insured or any partner, director, employee or person named or described in the Schedule;*
- b) Garaged or parked at the Permanent Residence of the Insured as described in the Schedule and/or the Statement of Fact;”*

Permanent residence is defined in the policy terms as:

“13. Home/Permanent Residence shall mean the address shown on the Statement of Fact and Schedule as being the permanent residence of the Insured and the place where the Insured Vehicle is kept.”

I understand the location from where Mr P's vehicle was stolen, isn't the address detailed on his policy schedule.

I have listened to the call recording when Mr P first contacted BHIL to make his claim. During this call he's asked where the vehicle was located at the time of the theft. Mr P confirms the location, which isn't his address, and says the vehicle was left in a locked compound. Mr P gives the name of the person who owns the compound and says that he rents space to store vehicles, when he has too many. Mr P is asked when the vehicle was stolen. He says he knows it was there on Thursday, and believes it was on Saturday

morning when he was made aware it was gone. Mr P explains that he doesn't always, "*go up there every day*", with reference to the compound where he sometimes stores vehicles.

Based on the information provided in this call, BHIL's view seems reasonable that the vehicle wasn't covered by its policy. The vehicle wasn't parked or garaged at the specified permanent residence, and it wasn't temporarily parked during the course of a journey.

In a later email to BHIL Mr P says the vehicle had been transported in a trailer in order to demonstrate it to a prospective buyer. He says the buyer wanted to test it on the road and as an all-terrain vehicle. Mr P says he had arranged to stay with the owner of the property, where he previously advised the vehicle was being stored. He says he often does this as the owner is a long-time friend, and he combines business with pleasure.

In his email Mr P says he doesn't rent the property owned by his friend. He says the vehicle hadn't been stored at that location and he had no intention of doing so. Had it not been sold he says it will have been returned to its "*normal storage location*". He says the vehicle was parked during the course of a journey, and so is covered by the policy.

I have thought about Mr P's comments. But I don't think it's unreasonable for BHIL to rely on the information he provided over the phone when he first reported his claim. I acknowledge he thinks this was a form of "*entrapment*" used by the business to "*reject legitimate claims*". But having listened to the call, the questions are clear, and Mr P is clear in his responses. BHIL isn't willing to accept the later account of events, as it feels this was changed to fit with the policy terms. In the circumstances I don't think the business behaved unfairly when relying on the information Mr P gave initially.

I have also thought about Mr P's testimony that he tried to add the vehicle online but was unable to do so using the registration. He also describes difficulty getting through to BHIL by phone to make the update.

BHIL says it contacted the company that manages the "*vehicle look-up system*" in light of Mr P's claim. It has supplied information that shows no attempts were made to add this vehicle to the policy using this system, until just after the reported theft. It also says it has searched for calls received from Mr P's telephone number, and the additional numbers he said he might have used – but it found no trace of a call. BHIL says Mr P was asked if he could supply records showing he made a call or calls, but this information wasn't provided.

BHIL points to the information Mr P gave when he registered his claim. It says he was asked why he hadn't added the vehicle to the policy. I have listened to this part of the call. In response Mr P says he had tried to add the vehicle using his mobile phone but, "*it couldn't find it*", referring to the online system. He says he decided to do it later using a computer but that it had, "*slipped his mind*".

I have considered the records provided. I think this reasonably shows the earliest record of the vehicle registration being searched on BHIL's online system was on the date Mr P made his claim. The business has provided a screen shot of the vehicle's registration being added to the system. The following message can be seen on the screen shot:

"Unfortunately no cover can be granted under this policy for this vehicle due to unacceptable body."

Based on the evidence provided, I think BHIL has reasonably shown there is no online record of Mr P adding the vehicle until after the theft and no record of a phone call. It has also shown that its underwriting criteria meant it wouldn't have offered cover for this vehicle even if it had received Mr P's request.

In considering all of this, although I'm sorry Mr P has incurred a loss, I don't think BHIL treated him unfairly when relying on its policy terms and declining his claim for the reasons given here. So, I can't reasonably ask it to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 June 2022.

Mike Waldron
Ombudsman