

The complaint

Mrs K is unhappy with the decision made by Acromas Insurance Company Limited (Acromas) following a claim made under her car insurance policy.

What happened

Mrs K took out a car insurance policy with Acromas in October 2022. The policy conditions for a claim made for loss or damage explained:

We do not cover the following:

- *loss of your vehicle by deception by someone who claims to be a buyer or a buying or selling agent;*

On the same day that insurance was purchased, Mrs K's car was stolen. Mrs K filed a police report following the theft. The police report recorded *'Victim has placed her listed vehicle up for sale on Facebook. The suspect contacted her to say that he was interested in the listed vehicle. The suspect turned up and was looking over the car including inside which the victim had unlocked for him. The suspect then agreed to pay £7,800.00 and asked to see the paperwork for the vehicle. The victim then went into the house to collect the paperwork and when she came out the vehicle and the suspect has disappeared. The victim waited and waited but the suspect did not return with the vehicle.'*

Mrs K contacted Acromas to report what had happened, and make a claim on her policy. The call note recorded *'PH was in the process of selling vehicle, man came and inspected the vehicle and agreed to purchase it. PH went inside to get the vehicle docs and her payment details to exchange paperwork and set up a bank transfer. Keys on the dining room table, PH was in the kitchen at the time getting docs. PH went back to the dining room and he wasn't there, looked outside and the vehicle was gone from the drive.'*

Mrs K didn't hear anything further about her claim until she contacted Acromas for an update in February 2023. Acromas told Mrs K that it would obtain a copy of the police report. Mrs K was later told that the case handler that was dealing with her claim had left the business.

Acromas received a copy of the police report in April 2023. Mrs K was informed that Acromas wouldn't be paying out under her policy, in line with the exclusion for *'deception by someone who claims to be a buyer.'* Mrs K complained to Acromas about its decision to reject her claim, and the delay in dealing with it. Acromas didn't change its decision, but it did acknowledge the upset caused by its handling of the claim. Acromas paid Mrs K £50 compensation in recognition of this.

Mrs K was unhappy with this response and brought her complaint to the Financial Ombudsman Service. The investigator found that Acromas' decision to decline Mrs K's claim was reasonable, and in line with the policy terms. The investigator thought that the compensation offered for the impact on Mrs K because of Acromas' poor service didn't reflect the upset caused to Mrs K. The investigator asked Acromas to increase total compensation to £200.

Acromas didn't respond to the investigator's findings. Mrs K asked for her complaint to be referred to an ombudsman. Mrs K said she did not want to sell her car, as she had changed her mind about selling it at the time that the person showed up at her home. Mrs K has explained that the person only came to her home asking to look at it, and she wasn't intending to sell it.

As the complaint couldn't be resolved, it has been passed to me for decision.

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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that's been provided.

Decision to decline claim

When we investigate a complaint about an insurer's decision on a claim, our role is to consider whether the insurer handled the claim in a fair and reasonable manner. So I've considered the evidence to determine whether Acromas has acted fairly and reasonably in reaching its decision on Mrs K's claim.

Mrs K has provided a detailed testimony about how her car was stolen. Mrs K has explained how she had placed an advert to sell her car, but then changed her mind. A few weeks later she received a call saying that the person on the line had a similar car to hers, and wanted to view her car. Mrs K has explained how she now feels naïve in allowing this person into her home, and to view the car. Mrs K says that she didn't intend on selling her car.

I've carefully considered Mrs K's testimony. However, Mrs K's version of events to this service don't match the police report, or the call notes from the time of the reported theft. When evidence is contradictory or inconclusive (or both) I have to make a finding on the balance of probabilities. That is what I find is most likely to have happened in view of the available evidence and wider circumstances.

I've carefully considered Mrs K's explanation about how the theft happened. I've also carefully considered the policy exclusion for '*deception by someone who claims to be a buyer.*' In doing so I'm persuaded that Acromas' application of the policy exclusion has been fair, proportionate, and reasonable. I say this because the evidence closely following the reported theft indicates that it's more likely than not that the theft happened during the course of '*someone [claiming] to be a buyer.*' I understand Mrs K strongly disputes this. But having considered what was reported to Acromas, and the police, shortly after the theft, I'm satisfied Acromas' reliance on the policy exclusion is reasonable.

I appreciate Mrs K's disappointment with this outcome. This situation has clearly left Mrs K feeling stressed, upset, and financially out of pocket. But I can't ask Acromas to pay for the claim, given the evidence that's been provided, and policy exclusion that I've seen. I have not seen any evidence to persuade me that Acromas' actions have been wrong, or unfair.

Customer service and delays on claim

Mrs K has also complained about the level of service provided while Acromas was dealing with her claim. Mrs K has referred to several occasions where she tried to call Acromas but couldn't get through. She's also unhappy with the delay in dealing with her claim.

Acromas has agreed that the service provided wasn't in line with its usual service standards. Acromas offered Mrs K £50 in recognition of the upset and inconvenience caused to Mrs K. The investigator increased this amount to £200 saying that this more fairly reflects the stress caused to Mrs K because of the poor handling of her claim.

Having reviewed the evidence I agree with the investigator's recommended compensation for this complaint for broadly the same reasons. Mrs K has explained how she had to call Acromas several times for an update on her claim, and often without success. There was also a further delay as a result of the police report not being requested earlier in the claim.

I've seen that it wasn't until February 2023 that Acromas contacted the police to obtain the police report. And this was only after Mrs K chased Acromas for an update on her claim. I've also seen that because the correct payment had not been made to the police, there was a further delay in Acromas receiving this report, and updating Mrs K on the outcome of her claim. As a result of the delays on the claim, Mrs K was often left chasing Acromas for an update, whilst also feeling anxious about the outcome of her claim over a prolonged period.

It's also evident that the case handler dealing with Mrs K's claim left the business without Mrs K receiving a meaningful update about the progress of her claim. This meant that Mrs K continued to chase Acromas, and the claim didn't progress as efficiently as it could've done.

When thinking about the impact on Mrs K, I think the £200 recommended by the investigator is fair, and in line with what we'd recommend in the circumstances. This amount is in recognition of the inconvenience caused to Mrs K because of the parts of the claim that were poorly handled, including the delays, and lack of meaningful updates.

Overall I think Mrs K is ultimately unhappy with the outcome of her claim in respect of the declined claim. As this isn't covered by the policy I can't hold Acromas responsible for the upset caused to Mrs K by its decision not to pay for Mrs K's claim. I think £200 fairly recognises the impact on Mrs K by what went wrong with the handling of the claim, but also that the outcome of the claim remains unchanged.

Putting things right

Acromas Insurance Company Limited must pay £150 to Mrs K- bringing total compensation to £200.

My final decision

For the reasons provided I uphold this complaint. Acromas Insurance Company Limited must follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 28 February 2024.

Neeta Karelia
Ombudsman