Financial Ombudsman Service

The complaint

Mrs G has complained about Admiral Insurance (Gibraltar) Limited's decision to record a theft claim against her car insurance policy.

Mrs G wants to claim only for the loss or theft of car keys.

Mr G, a named driver under the policy, is representing Mrs G in her complaint.

What happened

In February 2024 Mr and Mrs G's home was broken into. Mrs G's car keys were stolen – as was her car. They woke at the time of the event and called the police immediately. Mrs G's car was fortunately recovered by the police within the hour with no damage.

Mrs G reported the incident to Admiral. She arranged for car lock to be recoded and so her car and house locks were replaced. She wanted to claim for the costs to replace the car keys and locks. But Admiral said it would treat the claim as a full theft claim.

Mrs G's policy with Admiral says the following which are the sections at the heart of the dispute. The policy says under section two:

> 1.Cover for your vehicle
>
> If your vehicle is lost or damaged due to:
>
> an accident
>
> vandalism
>
> fire or lightning
>
> theft or attempted theft
>
> you will be covered for damage to:
>
> your vehicle
>
> your vehicles audio, visual or electronic equipment, as long as it is permanently fitted to your vehicle:
>
> Manufacturer equipment is covered in full.
>
> Aftermarket equipment is covered up to £1,250 or the market value of your vehicle, whichever is lower.

And;

> 4. Lost or stolen keys
>
> If you lose your vehicles keys, or any other ignition device, or they are stolen from somewhere other than your vehicle, we will pay up to £500 towards the cost of replacing the locks and keys.
>
> Once we agree to your claim, you must pay to have your locks and keys replaced and we will reimburse you up to £500.
>
> If you only claim under this benefit, you do not have to pay an excess and your No Claims Bonus will not be affected.

Admiral says for Mrs G's claim, it will apply section 2.1 of the policy as her car was stolen.

Mrs G says as she has made no claim for loss or damage due to the theft, so Admiral should apply section 2.4. She says this section doesn't say she is prevented from claiming under section 2.4 because her car was stolen.

Because Admiral will apply section 2.1, Mrs G will have to pay an excess and her No Claims Bonus (NCB) will be affected which she feels is unfair.

Admiral didn't uphold Mrs G's complaint.

Our Investigator recommended the complaint should be upheld for broadly the same reasons as Mrs G.

Admiral didn't agree and wants an ombudsman 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 am upholding it.

I cannot see that the policy allows Admiral to exclude section 2.4 because the car was stolen following the theft of the car keys. Section 2.4 says that if Mrs G only claims under this benefit, she does not have to pay an excess and her NCB will not be affected.

Mrs G is only claiming under section 2.4. Mrs G has made no claim for loss or damage to her car as a result of the theft. When Mrs G contacted Admiral, her stolen car had already been recovered. Admiral has not had to deal with a theft claim in this case. So it seems unfair for Admiral to apply section 2.1, which has a harsher outcome for Mrs G.

So I think a fair outcome in this case is for Admiral to apply section 2.4 of the policy for Mrs G's claim.

My final decision

My final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to meets Mrs G's claim under section 2.4 of the policy.

Admiral should pay interest on any reimbursement of the costs of the claim subject to the policy limit to Mrs G at a rate of 8% simple interest a year from the date of payment to the date of reimbursement. Mrs G will need to provide reasonable proof of payment to Admiral.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 25 October 2024.

Geraldine Newbold
Ombudsman