

The complaint

Mr G complains that Accredited Insurance (Europe) Ltd has unfairly declined his claim for a stolen vehicle under his motor insurance policy.

Any reference to Accredited also includes its agents.

What happened

Mr G runs a business which requires the use of a van. He took out commercial motor insurance for the van in January 2023. The policy is underwritten by Accredited.

In July 2023, Mr G's van was stolen from a parking bay outside his home. This was reported to the police and then to Accredited. Initially Accredited made an offer to Mr G based on the market value of the van. However, it then declined the claim. It said this was because Mr G had left the spare key to the van in the glove box. It referred to a policy term which excludes claims for theft where the keys have been left in the vehicle.

Unhappy with this outcome, Mr G complained to Accredited, who maintained their stance about the claim. Mr G then brought his complaint to us. When we contacted Accredited, it said that, whilst it didn't think the claim was covered, it recognised that it shouldn't have initially offered an amount in settlement. Accredited offered £200 in compensation for that error.

Our investigator looked into the matter and didn't think that Accredited had acted fairly when declining the claim. She said that Accredited could only decline a claim due to a breach of the policy conditions if it was material to the loss that had occurred. She didn't think that by leaving a spare key in the glove box out of sight it increased the likelihood of the vehicle being broken into. And that, even if the key had been found once the van had been broken into, the theft was already underway at this point, so the fact the key was in the van made no real difference. So, she said that Accredited needed to reconsider the claim. But she thought that the compensation offer of £200 for poor claim handling was fair.

Accredited didn't agree with the investigator's opinion. It said that it couldn't understand how the fact a key was left in the van wasn't considered to be material to the loss, as it is most likely the thieves would have found the key and used it to steal the van.

As no agreement could be reached, the matter was passed to me to decide. On 8 August 2024 I issued my provisional decision. In it I said the following:

"Policy terms and conditions

When taking out this cover, Mr G was provided with a document called the Insurance Product Information Document (IPID). This document gives a summary of the cover and the important conditions and exclusions. Under a section titled 'What is not insured?', it states:

Loss of damage by theft or attempted theft if left unlocked or windows/roof panels/convertible roof left open or the keys left in or on your vehicle.

In the policy wording, section one details the cover provided for damage or loss of the vehicle. It states:

We will cover you for damage to or loss of the Vehicle and Accessories caused by accidental or malicious damage, vandalism, damage from flood, fire, lightning, explosion, self-ignition, theft or attempted theft.

Within this section there is a list of exclusions which includes the following:

Exceptions to Section 1

We shall not be liable to pay for:

10 *damage or loss to the Vehicle or its contents arising from theft or attempted theft where*

- a) all locks have not been engaged; or*
- b) any windows have been left open; or*
- c) the immobiliser is either not working or not been activated; or*
- d) the keys have been left in or on Your Vehicle.*

I think that the policy wording and IPID are clear in stating that cover won't be provided for the theft of a car if the keys have been left in the vehicle.

Has Accredited fairly declined the claim?

Mr G told Accredited that the spare key to the van was in the glovebox. He said that it had been in there since he bought the van and he had forgotten to take it out. Accredited therefore declined the claim as the policy excludes losses where the keys had been left in the vehicle.

Mr G has said that the glove box was full and so he thinks it is unlikely that the thief would have located the key. And he has commented that there wasn't any broken glass in the area where the van had been parked so he thinks the thief had tools to get into the vehicle. Mr G has also referred to information he has obtained from the police which leads him to believe there was a professional element to the theft.

I've thought about this very carefully. But in order for me to direct Accredited to pay Mr G's claim I need to be satisfied that the theft of the van was not made more likely as a result of Mr G leaving the spare key in the glovebox. And, whilst I know it will disappoint Mr G, I'm not persuaded that there is enough evidence to show that the availability of the spare key didn't have an impact.

In the statement Mr G gave to Accredited about the theft, he confirmed that the vehicle was parked in a designated resident's parking bay outside the apartment block where he lives. And there was a period of approximately one and a half hours between the time he last saw the van and when the van was no longer parked there. There isn't evidence of how the theft took place, such as CCTV or similar footage. What isn't known is if the initial intention was to just take goods from the vehicle – Mr G has advised that there were items such as golf clubs contained in the van. Even though the key was out of sight, I don't think it is unreasonable to assume that an opportunistic thief would open the glove box and the discovery of the key could have contributed to the theft of the vehicle or made it easier for the theft to occur. So, I don't think Accredited's decision to decline the claim is unfair.

Mr G has referred to the lack of broken glass in the parking space where the van was last seen. He says the thief must have got into the vehicle by another method and so the suggestion is that they had the means to steal the van without the need for a key. While it may be one of the ways that a vehicle is broken into, I'm not persuaded that the lack of broken glass shows that the thief was going to steal the van without a key or that they actually did so. Nor am I satisfied that being able to enter a vehicle without breaking a window shows that it was more likely the vehicle would have been stolen, regardless of the key being in the van. I say this because, as mentioned previously, the thief could well have entered the vehicle with a view to stealing what was in it and then taken the opportunity to take the vehicle when they found the spare key. Of course, it is also possible they stole it without ever finding the spare key. But the policy exclusion is clear and I think Accredited are entitled to rely on it in the absence of what I consider to be compelling evidence the thief didn't use the spare key to steal the van.

I'm aware that Mr G has also referred to the lack of trace of his vehicle following the theft. He has said that the police have told him there wasn't any detection of the vehicle on cameras on the main road. Mr G has suggested that it may have either been placed on a lorry or had the number plates changed. I don't doubt the information that Mr G has been given and it may be that one of these methods was used to take the van out of the local area. But I don't think this makes a difference to the outcome of the complaint. I say this because I'm not persuaded that how the van was transported following the theft demonstrates that the key being in the van didn't increase the likelihood of the theft.

Taking everything into account, I'm not persuaded that there is enough evidence to show that leaving the key in the vehicle didn't increase the likelihood of the van being stolen. And therefore, I don't find Accredited's decision to decline the claim unfair or unreasonable.

Compensation offer

When the claim was first made, Accredited offered Mr G a sum for the value of the vehicle. However, it then retracted this offer and declined the claim. Accredited has confirmed this was a mistake and it therefore offered to pay £200 to Mr G as compensation for this error.

I can understand how receiving the valuation offer for the van meant Mr G was led to believe that his claim had been accepted. Withdrawing the offer and declining the claim would have caused confusion and then frustration for Mr G. And no doubt this caused a loss of expectation. But I haven't seen that Accredited's error led to any additional financial impact for Mr G and I note he didn't accept the valuation settlement made. In the circumstances, I think Accredited's offer of £200 for this mistake is fair and reasonable."

Both parties responded to my provisional decision. Accredited accepted my outcome however Mr G didn't. I've summarised his response below:

- Doesn't believe there was any intention on the part of the thieves to just break into the vehicle and steal the contents as otherwise they would have just broken into the back of the vehicle. He says there was nothing visible to be stolen from the cab.
- Believes this was a targeted professional theft in broad daylight in a busy area. Thinks the thieves were able to gain access and escape without the need to waste time with a search on the off chance there would be a key. The thieves were organised enough to leave the island without being detected on cameras.
- Since the theft there has been no trace of the vehicle. Even though the vehicle was not sign written, believes the thieves knew his occupation and would have known about the value of the equipment on board.
- Not sure if the spare key would have even started the engine. Thinks it was just a

- backup door key, not one with a chip.
- Has been fully insured since he started his business 15 years ago and has never had to make a claim. Says it is disappointing that due to a technicality the support and compensation he has paid premiums for is not there when the unexpected happens.

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.

Mr G has provided a lengthy response to my provisional decision, and I'm aware that what I've detailed above is just a summary of the main points raised. However, I would like to reassure Mr G that I have thought about his comments very carefully when considering my outcome. However, I'm not persuaded to alter the outcome of my decision. I'll explain why below.

I fully appreciate Mr G's comments about what he believes was the purpose of the theft and the type of person or people that committed it. And while Mr G says he believes this would all have taken place quickly, there isn't any evidence to support this. In my provisional decision I mentioned there was a period of one and a half hours between the last time Mr G saw the van and the time it was found to be missing – so it just isn't known how long it took for the vehicle to be taken. Mr G has also referred to this being a theft in broad daylight on a busy road so he thinks this would have had to be a quick theft. But I'm not persuaded that someone moving around a van in the daytime and looking through a glove box would look particularly suspicious and so I don't think that the time of day makes the theft more likely to have occurred without the key.

I explained in my provisional decision why I didn't think the fact the vehicle wasn't detected by cameras made a difference to my outcome. And knowing there is still no trace of the vehicle after all this time doesn't prove that this wasn't an opportunistic theft or, even if his van had been targeted, that this means leaving the key in the vehicle didn't impact on the ease with which the theft occurred. Mr G has provided information about the theory he has been given as to the likely whereabouts of the vehicle following the theft – but again this information doesn't support how the van was actually taken in relation to whether the spare key was used or not.

I've noted Mr G has also questioned the effectiveness of the spare key and whether this would have been able to start the engine. I don't believe this has been raised previously and I'm surprised Mr G wouldn't have mentioned this to Accredited when the claim was initially declined. But that being said, while this may be what Mr G thinks, I've not been provided with evidence to support his comments on what capabilities the spare key did in fact have. So, I'm not persuaded this point makes a difference to my outcome.

I understand why Mr G would be disappointed that his claim hasn't been paid. However, I don't agree that leaving a key in the van is just a technicality. Insurers are entitled to decide what risks they will accept (in return for the relevant premium) as long as what they will or won't cover is clearly set out in the terms and conditions of the policy. Accredited has clearly set out in the policy terms that it won't cover claims for theft if there is a key present and so I don't think Accredited has unfairly declined the claim.

My final decision

As explained above, I'm not upholding Mr G's main complaint about the non-payment of his claim. However, Accredited Insurance (Europe) Ltd needs to pay £200 compensation for mistakenly offering a settlement for the van.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 October 2024.

Jenny Giles
Ombudsman