

## The complaint

Mr C has complained that The National Farmers' Union Mutual Insurance Society Limited (NFU) unfairly made a fraud finding and refused to pay a claim under his home insurance policy.

References to NFU include companies acting on its behalf.

## What happened

Mr C contacted NFU to make a claim under his home insurance policy. He said his car was broken into in a hotel car park and jackets were stolen from it. NFU investigated the claim. It later wrote to Mr C and said he had first told NFU the jackets were on the car's back seat. But when NFU told him there was only cover if the jackets were in the boot, he said they were in the boot. It said Mr C had changed how he described the circumstances of the claim, so that he had cover under the policy. It said it considered this to be fraud. It said it wouldn't settle the claim, voided the home insurance policy and retained the premiums. It also cancelled another NFU policy Mr C held and said it would recover the sums it had paid out for the investigation.

Mr C complained. When NFU replied, it maintained it had correctly handled the claim, including its decision to decline it and to void the policy. So, Mr C complained to this Service. Our Investigator upheld the complaint. He said although NFU had grounds to be suspicious, he didn't think it had shown, on the balance of probabilities, that it was fraud. Mr C had also told this Service that he might well have forgotten exactly where the jackets were in his car. Mr C had also pointed out his age and he had said he sometimes had "*memory fog*". Our Investigator said it wasn't fair for NFU to cancel the policy due to fraud. He said NFU should reinstate the policy, remove references to a fraudulent claim from records, offer to reinstate another policy that had been cancelled and refund any fees for voiding or cancelling the policy.

NFU didn't agree. It said the Mr C's initial phone call with NFU about the claim, along with evidence gathered during its investigation, showed it was reasonable for it to make a fraud finding. So, the complaint was referred to me.

I issued my provisional decision on 8 August 2024. In my provisional decision, I explained the reasons why I wasn't planning to uphold the complaint. I said:

*NFU's policy documents explained that where a fraudulent claim was made, this entitled it to avoid or cancel the policy without returning any premium and decline the claim. In order for NFU to fairly make a fraud finding, it needed to show it was more likely than not that Mr C made a fraudulent claim. So, I've looked at whether NFU's decision was reasonable.*

*The policy said it covered contents temporarily removed elsewhere. But it did not cover:*

*"Theft from an unattended motor vehicle, unless it is from a locked boot, concealed luggage compartment or glove compartment and force and violence has been used to get into the vehicle. Where there is no locked boot, concealed luggage compartment or glove*

*compartment and there has been forcible and violent entry to the motor vehicle the most we will pay is £1,000."*

*So, I think this clearly explained that where the vehicle had a boot, for the claim to be covered, items had to be stolen from the locked boot.*

*NFU explained to Mr C its reasons for making its fraud findings. In essence, this was that Mr C changed his explanation of where the stolen jackets had been left in the car, so that he could gain cover under the policy to which he wasn't entitled. NFU explained to Mr C how it had reached this conclusion.*

*NFU said that when Mr C contacted NFU to report the theft he initially said the jackets were on the back seat of the car. However, when the call handler told him there was no policy cover unless the jackets were in the boot, Mr C said they were in the boot. I'm aware Mr C disputes what was said during that phone call, including saying that the call handler misheard what he said. Mr C said he'd told the call handler the jackets were "beyond" or "behind" the car seat meaning they were in the boot, rather than "on" the car seat.*

*I've listened to the phone call. During that call, I think Mr C clearly said the jackets were "on the back seat". He also said "And you know, it's got privacy glass, so it's all hidden. But of course, when they broke the glass, it was obvious". The call handler then checked the policy wording and said there was no cover because the jackets weren't in the boot. Mr C immediately replied and said "No no, they were in the boot. That's what I'm telling you. They were in the boot. Not on the back seat". When the call handler queried why Mr C had just said the jackets were on the back seat, Mr C said "No, no. On the back seat, I had my briefcase, which is also stolen. That's how I got mixed up. But the jackets were in the boot".*

*NFU was concerned by Mr C seeming to change his explanation of what had happened. So, it investigated the claim further. The car was parked in a hotel car park when it was broken into. NFU spoke to hotel staff. A hotel staff member told NFU Mr C had told him nothing appeared to have been taken from the vehicle and there was a jacket and paperwork on the back seat.*

*The theft was also reported to the police. It's my understanding that Mr C spoke to the police and it recorded the theft based on what he described. NFU obtained the police report. This said: "Persons have approached vehicle in hotel car park and smashed rear drivers side window and reached in and stolen briefcase and ski jacket off the rear seat while complainant inside the hotel as a guest".*

*Mr C also wrote to NFU and said:*

*"I carried four spare summer tyres and to accommodate them in the boot, the seats had to be lowered, but the boot cover bar was retained ... and the boot cover was in place. The jackets were 'on the seat'. I said the same to the Police. However, when your insurance recipient said we do not cover items left 'on the seat', I corrected they were in the boot but the boot is part of the car. I said the same to [a company working for NFU] explaining the car does not have a separate lockable boot and there was no clear border between the seat and the boot as you see in the attached picture."*

*I'm aware Mr C also told this Service one seat was upright and the other was down and that anyone breaking into the car could access the boot in seconds by simply flicking a switch. Mr C also told NFU he could withdraw his claim.*

*Having thought about this carefully, I currently think it was fair for NFU to decide Mr C's change of explanation about the location of the jackets was more likely than not evidence of*

*fraud. I'm aware people can sometimes make errors when they report a claim. I'm also mindful that if the call handler misheard or misunderstood what Mr C said, it was potentially helpful for him to correct that understanding. However, listening to the call, I think Mr C spoke clearly and I'm not persuaded that the call handler misheard what Mr C said.*

*The phone call wasn't the only evidence NFU relied on to make its fraud finding. It was the prompt for it to make further enquiries. Hotel staff and the police report, both of which were accounts from close to the incident, indicated that Mr C had said the jackets were on the back seat of the car. I'm aware Mr C also, at one stage, told NFU the boot was entirely secure but also told NFU the back seats were in the down position.*

*Mr C has also said his age and "brain fog" affected him. But I haven't currently seen evidence that persuades me these affected his ability to recall or describe the incident. I think it was reasonable for NFU to decide it was significant that Mr C seemed consistently to say the jackets were on the car's rear seat until he was told there was no cover. It was only following this that Mr C provided a range of explanations about why the jackets were actually in the boot.*

*As a result, I don't currently intend to uphold this complaint or to require NFU to take any further action in relation to it. I think it was reasonable for it to void the policy, retain the premiums, not to settle the claim and to cancel another NFU policy.*

I asked both parties to send me any more information or evidence they wanted me to look at by 5 September 2024. Mr C asked for more time to reply, which was agreed.

NFU didn't reply. Mr C replied on a few occasions. In summary, he said:

- He objected to the use of the term "*brain fog*". He said it could jeopardise his career. He said he had said that at his age his memory might not be sharp enough to remember details of one-off incidents, but brain fog could mean he was demented, possibly suffering from a serious brain problem. He said I had used the term irresponsibly in connivance with NFU.
- I was basing my verdict on him having a foreign name.
- He considered NFU's actions to be a personal vendetta.
- He was concerned that, while NFU considered the claim for the jackets, it also said it wouldn't consider his other ongoing claim, which could have caused a problem for his house.
- Different people at NFU had started and stopped the claim, which was an irregularity.
- He has described where the jackets were in the way that he had because there was no clear differentiation between the boot and the seat, especially with one or both seats down, as had been done to accommodate the tyres.
- He questioned why it wasn't possible to forget or get confused, in an extremely vulnerable situation, about the details of the incident and the exact placement of the articles.
- If he had changed his statement about the placement of the lost articles due to "*brain fog*" couldn't he have confused or clearly forgotten exactly where they were placed.
- He questioned the policy wording. This included where a boot couldn't be locked, how a jacket could be put in a glove compartment and where it was possible to find a concealed luggage compartment.
- NFU wouldn't accept Mr C's genuine points. He said he called the policy fraudulent in itself and had expressed views about how a court would react to it. Someone at NFU then started a personal vendetta, spending thousands of pounds and making a case of fraud, instead of simply refusing the claim because it didn't meet the policy wording.

- Why hadn't it been considered that NFU could simply have said that the claim couldn't be honoured because it didn't fit the policy wording. Instead, the person with the vendetta chose to spend thousands to teach him a lesson.
- He questioned what evidence there was that he had spoken to hotel staff. The person was alone, so Mr C questioned why the staff member couldn't have been influenced by the NFU person who was trying to teach Mr C a lesson.
- NFU had also questioned whether he had made the complaint to this Service in time. He thought this also showed malice.
- A person was innocent until proven guilty. He found it difficult not to believe that I had chosen the hard line along with the person at NFU, supporting the vendetta.

### **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 don't uphold this complaint and for the reasons given in my provisional decision. As part of that, I have considered all of Mr C's comments in full, even if I don't comment on them here. I've focussed on what I consider to be key to make a fair and reasonable decision.

Mr C has objected to the use of the term "*brain fog*" and explained his concerns about the use of that wording. When our Investigator issued his view, he used the phrase "*memory fog*" and this was part of his reasoning for why he thought NFU's fraud finding was unfair. Mr C agreed with our Investigator's view, which he said "*clarifies it all*". I accept that "*memory fog*" and "*brain fog*" is different phrasing. However, I also didn't rely on this information when I made my decision and didn't conclude that I had seen evidence that Mr C had memory fog or brain fog or that this affected the way he presented his claim. In response to my provisional decision, Mr C has clearly stated that he doesn't have brain fog and that if there were any memory issues, these were about recalling a one-off incident. I have no reason to doubt this.

I made my decision based on the evidence available to me. I haven't seen evidence of a personal vendetta against Mr C. NFU's decision to make a fraud finding also wasn't made by one person at NFU. When I made my provisional decision, I took into account the policy wording, Mr C's explanation of the circumstances of the claim and why he described it in the way that he did. I also looked at evidence such as the police statement that said the jackets had been stolen "*off the rear seat*". In addition, the policy explained what NFU could do if it suspected fraud. It didn't have to let Mr C simply withdraw the claim.

I don't think it's unusual that an insurer investigating fraud concerns might assess it could affect their consideration of other claims. This is because a fraud finding could affect cover for other claims under a policy. Mr C has explained his concerns about what could have happened to his other claim and house. If Mr C thinks the damage being dealt with under his other claim got worse as a result of NFU's actions, he would need to raise this with NFU so it can consider this.

Having thought carefully about this claim and complaint again, along with Mr C's comments, I remain of the view that it was reasonable for NFU to decide Mr C's change of explanation about the location of the jackets was more likely than not evidence of fraud and for it to take action on that basis. I don't uphold this complaint or require NFU to take any further action in relation to it.

### **My final decision**

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 October 2024.

Louise O'Sullivan  
**Ombudsman**