

The complaint

Mr S complains that Covea Insurance plc (Covea) unfairly declined a claim he made on a motor insurance policy.

What happened

Mr S insured his car with Covea. The car's engine had been removed and it was being stored on private land.

Mr S discovered that exterior items, including the front bumper and lights had been stolen. He contacted Covea to make a claim.

Covea said Mr S' claim wasn't covered. It said Mr S' car had been unlocked and the policy terms and conditions excluded any theft which occurred when a car was unlocked.

Mr S complained to Covea. He was unhappy the claim had been declined. Covea said its decision to decline cover for the claim was fair, but a phone call could have been handled better and offered £50 compensation for this.

As he remained dissatisfied, Mr S referred his complaint to our service. Our investigator thought Covea's decision to decline the claim was reasonable and the compensation offered was appropriate. Mr S didn't agree and asked for an ombudsman's 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'll deal with the two elements of Mr S's complaint separately here. The first is the decision to decline cover for his claim, and the second is the content of a phone call and whether Covea led Mr S to believe his claim was covered.

Cover for the claim

The relevant condition of the policy terms and conditions says there's no cover for any claim for:

“Loss or damage caused by theft or attempted theft if the car is left unattended without being properly locked and/or if any window, roof opening, removable panel or hood is left open or unlocked.”

A number of relevant points aren't disputed here. As the engine had been removed from the car, it wasn't possible to lock the doors of the car, and so it was unlocked. The car was being stored on private property but wasn't in a locked garage or secured area. The items were attached to the car when they were stolen (as opposed to having been removed already and placed next to it).

Based on the evidence available to me, it seems the items were stolen from the car after the

unknown thief opened the bonnet. This is because there was no damage to the bonnet suggesting it had been forced open. It's assumed the thief gained access by using the bonnet opening mechanism located inside the car, having opened the unlocked door.

In light of this, it seems fair to say that the policy exclusion for items stolen from an unlocked car would apply to the circumstances of the claim. Mr S' car was unlocked at the time of the theft. What I need to do next is consider whether it's reasonable for Covea to have relied on the exclusion when it declined cover.

I think it is. The exclusion isn't unusual or inherently unfair, and would seem in line with the expectation that a policyholder has a duty to prevent and mitigate any losses. I'm satisfied a direct connection can be made between the car being unlocked and the theft occurring. Access to the items stolen was gained through the open bonnet. The bonnet was able to be opened because the car was unlocked. So the car being unlocked is linked to the theft.

I note that the car, due to its engine being removed, couldn't be locked and understand Mr S' view that the car was in a secure location. However, Mr S would appear to have known this and could have, I'm satisfied, taken steps to reduce the likelihood of the theft. The location the car was kept in, while on private land, wasn't in a secure, locked garage, storage unit or similar.

For these reasons, I'm satisfied Covea acted reasonably when it declined to cover Mr S' claim.

The phone call

Mr S believes the contents of a phone call led him to believe that his claim would be covered. I've listened to the phone call in question and don't agree with this interpretation.

The call was made by Mr S' daughter after he'd been told the claim wasn't covered and she clarified a number of points relating to what had happened based on her understanding of the circumstances. She explained they were pursuing a complaint as they were unhappy about the outcome.

Mr S' daughter went on to say Mr S had been without a car for several months, and had been paying his premiums since then.

Covea's representative did say he understood what had been said and how Mr S and his daughter would believe the claim should be covered, but that he'd look into all of the information before confirming the outcome of his review of the complaint.

However, at the time of the call Mr S' policy was no longer active and as Mr S' daughter had specifically mentioned the ongoing cover, Covea agreed its representative could have clarified this.

I don't agree that a reasonable interpretation of this call would be that Mr S (or his daughter) were told the claim was covered or that Covea was changing its decision to decline cover. The discussion with Covea included a request for when the investigation would be complete and Mr S would be informed of the outcome. That would only be relevant if the interpretation of the call was that Covea was reviewing its decision about cover.

However, clarification of the policy status could have been given, but Covea has acknowledged this. The impact of not doing so was, I'm satisfied, minor as the main issue was the cover for the claim (the merits of which I've addressed above) and so the £50 offered was appropriate compensation.

My final decision

I don't uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 December 2024.

Ben Williams
Ombudsman