

Financial Ombudsman Service

The **complainant** wants to sort out a problem with his insurance company. Imagine you are among the first of your friends to learn to drive and have just bought your first car. You have insured it against theft and 'third party' damage only. One morning a friend who cannot drive leaves his school bag in the back after you offer him a lift. During the day, he asks for the keys so that he can get his bag back. However, he then drives the car away and damages it in an accident, so badly that it cannot be repaired. When you try to claim the insurance money to replace it, the insurance company says that it cannot pay as the car was not stolen. You did not give your friend permission to drive the car and you demand compensation.

The **insurance company representative** thinks differently. You argue that the crime of 'theft' was not committed because there is no evidence that the friend intended to keep the car or sell it. The policy the complainant paid for did not insure the car against joy-riding, and it specifically excluded loss 'by deception'. You refuse to pay out.

The **Financial Ombudsman Service** should investigate this complaint. Remember to be impartial and try to gather and weigh all the evidence carefully. Do you think that the insurance company was right to refuse the complainant or would you recommend some sort of remedy? How would you explain your decision to each side?