

The complaint

Mr C complains that Acromas Insurance Company Limited will not deal with a claim on his breakdown repair cover (“BRC”) policy.

What happened

In summary, Mr C took out the BRC policy underwritten by Acromas. He called out assistance just over a month later and the roadside assistance agent suspected a worn flywheel.

The car was seen by a garage and Acromas needed to gain access to the part before deciding whether this claim was covered by the policy. It instructed an independent engineer who said the flywheel’s condition was consistent with general wear and deterioration. And as the car had only covered 399 miles since the policy started the flywheel must have been in a worn condition before this.

As the policy terms exclude any faults which existed prior to the purchase of cover and as it defined a mechanical or electrical failure as a sudden and unforeseen breaking of an insured part, Acromas said this problem fell outside the cover provided. It therefore declined Mr C’s claim.

Mr C is unhappy about this. He says the car’s service record evidences there were no problems with it before the start of the policy. He wants Acromas to deal with his claim.

Our investigator felt this complaint shouldn’t be upheld. She said:

- The policy terms and conditions say a mechanical or electrical failure is the sudden and unforeseen breaking of any insured part. The terms also exclude any faults which existed before the policy was purchased.
- The independent engineer concluded that as the car had only been on cover for 33 days and travelled 399 miles in that time, the flywheel must have been in a worn condition before this. And the failure wasn’t a sudden mechanical failure.
- Mr C says the manufacturer service record and MOT evidence no issue prior to starting the policy. But the service document doesn’t indicate the level of service carried out by the manufacturer’s garage or show which components were checked. The MOT certificate checks the road worthiness of the car but the internal components aren’t checked and a worn flywheel wouldn’t be identified.
- She finds the independent engineer’s report and reasoning more persuasive. That is that the flywheel was most likely worn when the policy was bought. This is because the engineer could properly assess the flywheel after the removal of the gearbox which is unlikely to have happened during the manufacturer’s garage’s servicing. And based on the engineer’s expert opinion it wasn’t feasible for the wear to have occurred in the space of time since Mr C took out the policy.
- So, Mr C’s claim doesn’t meet the policy terms as the flywheel had a pre-existing issue and wasn’t suddenly or unexpectedly broken.

Mr C remains unhappy and has asked for an ombudsman review.

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 agree with the investigator's conclusions for the same reasons.

It isn't for me to determine exactly what the fault in Mr C's car was or when it arose. What I must consider is whether Acromas has carried out a reasonable investigation into what has happened, made a fair decision on the claim and acted in line with the policy terms and conditions.

In this case I think Acromas acted fairly by asking the garage to remove the gearbox so that access could be obtained to the flywheel. It also reasonably instructed an independent engineer to provide an expert opinion.

The independent engineer concluded that the flywheel must have been in a worn condition when the policy was bought and its failure wasn't a sudden mechanical failure within the terms of the policy.

I think Acromas acted reasonably by relying on the independent engineer's expert opinion. And its decision to decline to deal with Mr C's claim under the terms of the policy was fair and reasonable.

I understand Mr C thinks his evidence, including from the service record and MOT, show that the flywheel issue wasn't a pre-existing problem. But the expert's view is clear and I think Acromas was entitled to rely upon it when making its decision on the claim. I also agree with the investigator that it's fair to give more weight to the expert's view than to Mr C's documentation.

Mr C may disagree with Acromas' interpretation of the evidence and decision to decline his claim but I don't think it's failed to comply with the policy terms or exercised its discretion unfairly or unreasonably when deciding to decline to deal with his claim as it's done.

I understand Mr C's frustration and strength of feeling. But taking everything into account I don't think Acromas has done anything wrong. And I don't think I can fairly or reasonably require it to do anything more or differently. Overall I don't see a compelling reason to change the proposed outcome in this case.

Mr C has also complained about not getting a refund of premium when he later cancelled the policy. But that's being dealt with as a separate complaint and I cannot comment on it here.

We also cannot deal with his complaint about the damage he says was caused to the car by the roadside recovery agent as that isn't a regulated activity we can consider.

My final decision

For these reasons I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 May 2020.

Stephen Cooper
Ombudsman