

The complaint

Company W has complained about AXA Insurance UK Plc. It isn't happy that AXA turned down a claim under its agricultural vehicle insurance policy. For ease of reading any reference to AXA includes its agents.

What happened

Company W had an agricultural vehicle insurance policy with AXA. In June 2019 it made a claim after its harvester's drum was damaged. W thought that a foreign object had got into the drum causing the damage. Given the time of year and the need to keep the machinery working it undertook a temporary repair. And then got its usual repairer to complete a full repair before making a claim under its policy a while later.

AXA looked into the claim but turned it down. It wasn't satisfied there was sufficient evidence to conclude that the damage was caused by an accident and could well have been caused by wear and tear which wasn't covered under the policy. As Company W wasn't happy about this it complained to this service.

Our investigator looked into things for W but didn't uphold the complaint. She looked at all the available evidence from both sides but didn't think AXA had done anything wrong. It got its engineer to consider the claim and all the evidence provided by W but he concluded that there wasn't sufficient evidence to say the damage was caused by ingress. And it got its senior engineer to take a further look but maintained its position. As Company W didn't agree the matter has been passed to me for 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 think it's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said in this decision it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint.

This case isn't easy to decide. It's hampered by the fact AXA didn't get the opportunity to examine the harvester in order to establish whether the damage was caused by wear and tear or by an accident. And while I can understand why W chose to get on with the repair as a matter of urgency, as it needed to keep the machinery working given the time of year, it should have kept the damaged parts as this would have assisted in deciding the claim.

I know that W intended to keep the parts and it isn't sure what happened to them. But I can't hold AXA responsible for this and the delay in reporting the claim has clearly impacted AXA here. Indeed, Company W's own engineer said that *'I suppose if there was a cracked drum*

as evidence, further tests could be done to prove..... exactly what happened. And as the parts haven't been retained AXA hasn't been able to do this and W's repairer wasn't conclusive in its findings. It said that *'cracks start off so small (that they don't get picked up during normal maintenance)...*' in reference to how the damage may have been caused although it did suggest that a foreign object was possible. So, had the claim been reported earlier or the parts retained (and the onus was on W for this) then it would have been possible to establish for certain what happened here.

For its part AXA appointed an engineer who considered all of the relevant evidence, including the video and reports provided by W in concluding its initial position. And it went on to appoint a senior engineer to review the matter and to liaise with the manufacturer and looked at the same model as Company W's. So I can't say AXA didn't look to consider the claim in full and in a fair and reasonable way. But ultimately, it didn't feel there was sufficient evidence to say that the damage was caused by ingress and AXA's engineer thought that the damage was most likely caused by wear and tear.

I know Company W dispute this and point to the fact that the harvester was regularly maintained and serviced – it had been serviced a few weeks before this incident. But even their regular repairer highlights that it was possible that there was a small crack that couldn't have been picked up during maintenance, so it is quite possible that this was the cause here. W feels that the problem was caused by ingress, but it hasn't been able to evidence this. All it has been able to say was that an incident happened causing the damage and it believes the incident was caused by an unidentified object entering the harvester. But it hasn't been able to provide any real evidence of this and not all events are insured, such as problems caused by mechanical failure and wear and tear which is what AXA believes happened here.

Given all of this, I don't think there is sufficient evidence to say that the damage was caused by a foreign object as opposed to wear and tear. And I would have expected W to at least keep the parts if it wasn't able to wait for the insurer to assess the claim in order that AXA could assess the damage caused. In fact, it should have allowed AXA to look at the physical damage caused before repair and I feel there was opportunity to do this. So, I can't say that AXA has acted unreasonably as it undertook a thorough and detailed review of the claim before concluding that there was insufficient evidence to suggest that the damage wasn't caused by wear and tear.

My final decision

It follows, for the reasons explained above, that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 28 January 2022.

Colin Keegan
Ombudsman