

The complaint

Mrs B complains UK Insurance Limited (UKI) unfairly declined her claim on her motor insurance policy.

There are several parties and representatives of UKI involved throughout the complaint but for the purposes of this complaint I'm only going to refer to UKI.

What happened

Mrs B's car caught fire whilst she was driving on the motorway. The fire was put out by the emergency services.

Mrs B made a claim on the motor insurance policy that she held with UKI.

UKI inspected Mrs B's car and then declined the claim as its engineer said it was a mechanical failure and this was not covered under the terms and conditions of her policy.

As Mrs B was not happy with UKI, she brought the complaint to our service.

Our investigator did not uphold the complaint. They looked into the case and said as the cause of the fire was found to be a mechanical failure UKI had fairly declined the claim as the policy does not cover for such claims. They said there is no independent professional report that shows UKI's engineers report is incorrect,

As Mrs B is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

When looking at complaints relating to claims for damage to a vehicle, our service can't determine how the damage occurred. Instead what we look at is the information the insurance company relied on to make their decision.

In this case I saw that UKI undertook an inspection of Mrs B's car, and declined her claim for the following reason:

"The damage caused is as a result of the duel mass flywheel separating into two halves which in turn has caused damage to the gearbox. This is a mechanical failure which is not covered under the policy."

I looked at the terms and conditions of the policy. On page 30 it says;

"Car failure

We won't cover any failure caused by a mechanical, electrical or computer problem."

I looked at UKI's engineer report that took place on 27 July 2022 and this shows a number of images of the damage including - gear box no longer attached to engine, engine harness burnt and snapped, alternator belt cut. UKI said this was mechanical failure and therefore under the terms and conditions of the policy it thinks it was correct to decline Mrs B's claim.

However Mrs B said that UKI did not prove it was a mechanical fault. She said the inspection carried out by UKI is not conclusive of cause. She said, just before the car lost power; it sounded like something had hit the underside of the car.

I have seen evidence that Mrs B discussed the issue with the car manufacturer. The car manufacturer concluded that the incident to the car is the result of an overheated clutch fire. It said a warning light had come on in the car that said the car was able to continue to be driven but to slow down. Mrs B said she saw this warning and did slow down, and the incident should not have happened.

It's important to note again that our service can't determine how the damage to Mrs B's car occurred. What we have to consider is the information or opinions UKI have relied on to make their decision. I'd expect to see either a report or opinion from a qualified expert, and in this case an engineer has confirmed the damage to the car was mechanical.

I am satisfied that UKI used an engineer's professional opinion to make its decision to decline Mrs B's claim due to it being caused by a mechanical problem.

I have seen that Mrs B has also taken this issue to the Driver and Vehicle Standards Agency. At the point of looking at this complaint it is an ongoing case.

I understand that the incident will have been very stressful and frightening for Mrs B and I can see that she has suffered a financial loss. However, after considering all the evidence provided, and in the absence of an independent professional report disproving UKI's assessment of the cause of the fire, I am unable to say that UKI have acted unfairly in declining the claim

Therefore, I do not uphold Mrs B's complaint and do not require UKI to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 4 January 2023.

Sally-Ann Harding
Ombudsman