

The complaint

Mr H complains that London General Insurance Company Limited trading as Assurant (London General) are only willing to pay a portion of the labour cost he paid to replace the rear differential on his vehicle following a claim.

What happened

Following the failure of the rear differential on his vehicle, Mr H submitted a claim on his parts and labour policy with London General.

The repairing garage (the repairer) agreed to pay for the rear differential itself, so Mr H submitted a claim to London General for labour only. The repairer charged him £768 labour to replace the part. But London General only agreed to pay £370 toward that cost.

So, Mr H complained. But London General said £370 was all it was required to pay under the policy terms and conditions. Mr H then complained to us and an investigator at this service suggested that London General should pay the full labour cost.

But London General doesn't agree, so the complaint has been passed to me for a review.

I issued a provisional decision on this complaint on 14 February 2023. That provisional decision is below and forms part of my final decision.

What I've provisionally 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. Having done so, I'm not planning on upholding this complaint. I'll explain why.

As the repairer paid for the part, I'm satisfied that the only issue I have to decide is how much London General should pay for labour to replace it.

The policy says, "In giving authorisation for repairs, we will assess repair times in line with Autodata (or equivalent industry standard) recommended repair or service times and hourly labour rates at a maximum of £100 + VAT per hour."

London General says that "Autodata" gives a labour time for this job of 2.9 hours. Mr H says that the repairer - who are also the vehicle's manufacturer - charged him for 8 hours labour. London General doesn't dispute the 8 hours. But it says its obligation is to pay the labour time for a requested repair as detailed on Autodata, not to specifically support the labour time held by the manufacturer.

My role is to decide if what London General has done is fair and reasonable and in line with the policy terms and conditions.

And I think it has. We asked the repairer to quantify the 8 hours labour time. It said the book time was 5.2 hours to remove and install, and 2.8 hours for adaptations. It also sent us a

diagram to support this. But the breakdown diagram seems to show the removal and install of the bevel gear drive and the dual clutch gearbox, not the rear differential.

So, I contacted Autodata. It said the vehicle manufacturer doesn't list the words "rear differential" on its system as it uses different terminology. It says on Autodata its listed as the "final drive" and this has a labour remove and install time of 2.9 hours. Autodata says that the manufacturer may call it "Four-wheel drive coupling".

Autodata goes on to say that the bevel gear drive is listed at 5.2 hours labour. But this is a part that is bolted onto the side of the gearbox at the front of the prop shaft rather than the rear - where the rear differential would be. It says the bevel drive doesn't form part of the rear differential.

So, we went back to the repairer. We asked it to check the data it had sent us, and we pointed out that the diagrams were of the bevel drive, not the rear differential. The repairer has replied with a screenshot of its warranty accounting instruction. This does list the remove and install of the "four-wheel drive with coupling". But the repairer says this is all it can provide and there is no labour time given in the screenshot.

And this makes things difficult. In short, London General has supported its labour times using Autodata. But the repairer hasn't. However, even if the repairer did provide its labour times for the removal and installation of the four-wheel drive with coupling, I'm not confident it would match what Mr H paid. The evidence initially provided by the repairer matched what was charged, but it looks like it was for the removal and installation of the bevel gear drive, not the rear differential.

I know Mr H is going to be disappointed with my outcome. But based on the evidence I've seen I don't think London General has done anything wrong. Its paid what it said it would as per its policy terms and conditions, and this is supported by verifiable evidence. So, I won't be recommending that London General pay any more.

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 sent my provisional decision on 14 February 2023.

London General didn't respond. Mr H did respond. Mr H asked whether the repairer had responded to our last information request. We replied and provided Mr H with a copy of what the repairer had sent to us.

Mr H hasn't raised any additional points since this correspondence. So, as there are no further issues raised, I see no reason to depart from my findings as set out above.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 29 March 2023.

Derek Dunne
Ombudsman