

The complaint

Mr H complains about how AXA Insurance UK Plc dealt with a claim on his motor insurance policy.

What happened

Mr H's car wouldn't start so he contacted a garage to diagnose the fault. The garage said the ECU was flooded and this was likely due to the excessive rain. Because of this Mr H contacted AXA to claim for the damage.

There were some delays with AXA assessing the claim but ultimately AXA rejected the claim as it said it wasn't covered. It said the damage was limited to the ECU being water damaged and that it had occurred over a period of time. Mr H didn't think this was fair and complained. He said there had been heavy rain and this had caused the water damage to the ECU. He also complained about AXA's handling of the claim and the courtesy car which had been provided. He asked AXA to cover the hire car costs he'd incurred as he needed a like for like car.

AXA reviewed the complaint and didn't uphold it. It said the ECU had corrosion which had occurred over a long period of time and so maintained its position that the claim had been fairly declined. AXA also said it had to investigate the claim and thought a month was a reasonable time to do so. It also said it had met its requirements under the policy by providing the courtesy car.

Mr H didn't agree and referred his complaint here. He said the corrosion had occurred between the date of the claim and when AXA assessed it and referred to the two garages who had inspected his car. He also didn't think AXA had progressed his claim as well as it should have and said it had taken too long to provide the courtesy car and that he'd had to hire a like for like car for a holiday he had booked.

When the complaint was referred here AXA revised its position and agreed the claim could have been handled better. It offered Mr H £100 compensation for the poor claim handling which Mr H didn't accept. Our investigator reviewed the complaint and upheld it in part. He thought AXA had acted fairly by declining the claim but recommended it pay Mr H £200 for the poor claim handling. However, he didn't think AXA should cover the hire car costs as even if AXA had progressed the claim quicker, Mr H would have still needed to hire a like for like car for the holiday he needed it for.

AXA accepted our Investigator's outcome, Mr H didn't. He said AXA should honour the claim as it related to water damage due to the heavy rain and also thought AXA should cover the hire car costs he'd incurred.

As Mr H didn't agree the complaint has come to me to decide.

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.

Mr H has a comprehensive motor insurance policy which covers him for accidental damage, fire and theft. AXA has said it doesn't think the claim is covered as the water has been getting into the ECU for some time, which Mr H disputes.

I've seen AXA's engineer's comments which say:

"Water leak in vehicle has been present for sometime based on images provide [sic] and the corroded ecu is the probable cause as to why the vehicle is a non runner, looks to be wear and tear and not an actual claim"

Mr H's policy also excludes damage for wear and tear, however, Mr H disputes AXA's engineer's comments and has provided statements from the two garages who assessed his car. One report says:

"I would deduce that the ECU was damaged with rain/flood water"

The other report says:

"The ecus position in this car is designed to take moisture but in my opinion this ecu was most definitely submerged for a period of time."

When considering all of the reports and comments, they all agree water has got into the ECU. However, when reading them all it appears this is something which has happened over a period of time. I'm therefore not going to interfere with AXA's decision to decline the claim due to wear and tear.

I've also considered AXA's poor claim handling and I agree with our investigator that AXA hasn't handled this claim as well as it should have. There has been delays caused by AXA and considering the damage to Mr H's car it took too long to decline his claim. This caused Mr H unnecessary distress and inconvenience as he had to chase up what was happening on several occasions. To compensate Mr H for this I'm satisfied £200 is a fair and reasonable amount.

In regard to the hire car, I've considered Mr H's comments but I'm not going to tell AXA to do anything else. This is because while I understand AXA has handled the claim poorly, as the claim isn't covered by the policy then he wouldn't be entitled to a courtesy car. I can also see that if AXA had made its decision sooner, Mr H would still have needed to hire a like for like car for his holiday due to the length of time the repair to his car took. I'm therefore not going to tell AXA to do anything else.

I've also noted that Mr H has said that in the last few days he's become aware of a claim being recorded for this incident by AXA, which has affected his insurance at renewal. As this is a new issue which wasn't originally referred here, I can't consider it in this decision. Therefore, if Mr H thinks AXA has recorded the claim incorrectly, he would need to raise it with AXA first. If he's then unhappy with AXA's decision he'd be able to refer it here to be investigated if he wished too.

My final decision

For the reasons explained above, my final decision is that I uphold this complaint in part. I require AXA Insurance UK Plc to pay Mr H £200 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or

reject my decision before 17 August 2023.

Alex Newman
Ombudsman