

The complaint

Mr T complains that AWP P&C SA unfairly declined a claim on his mechanical breakdown insurance policy.

What happened

Mr T was driving along the motorway and the glass sunroof of his car shattered unexpectedly. At the time Mr T said he wasn't driving under a bridge, and nothing came into contact with his car. He therefore called AWP to report the incident.

Mr T said AWP acknowledged it might be a mechanical fault and to book his car in with a manufacturing garage to get it looked at. Mr T said he tried to book it in but there were delays in getting an appointment. As he was concerned about making sure his car was secure and protected from the weather, he called his car insurer who explained he had glass cover on his policy which also included his sunroof. Because of this Mr T booked an appointment to get the glass replaced through his car insurance policy.

The company who replaced the glass let Mr T know there was an issue with the sunroof mechanism as it wasn't working. Mr T therefore booked his car in with the manufacturing garage to have it looked into. The manufacturing garage said the sunroof mechanism had a fault and it needed to be replaced, so Mr T claimed on his policy with AWP.

AWP reviewed the claim and declined it. It said as repairs had been carried out to his car outside of the manufacturing approved network then his claim wasn't covered. Mr T wasn't happy and complained. AWP maintained its position but offered £50 for the poor claim handling. Mr T therefore referred his complaint here, he said he'd paid £1,650 to have the sunroof mechanism replaced and thought AWP should cover this cost.

Our investigator looked into the complaint and recommended it be upheld. She acknowledged the policy said it wouldn't cover claims unless completed through the manufacturing approved network, however AWP hadn't shown how Mr T having the glass replaced had prejudiced the claim. So, she recommended AWP pay Mr T what he paid to replace the sunroof mechanism.

AWP didn't agree, it said the terms were clear that Mr T needed to use a manufacturer approved repairer. It also said if he had the claim wouldn't be covered anyway as the policy excludes cover for glass.

As AWP 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 T's policy covers him for the electrical or mechanical failure of parts, the parts which are covered depend on the level of cover Mr T has. I can see he has a Comprehensive

Component warranty which renewed each year with AWP. The policy terms say: "Your Comprehensive Component Cover covers all factory fitted mechanical and electrical components of the insured vehicle with the exception of the following." The policy then excludes some parts. The repair invoice for Mr T's policy says the "sunroof cassette" was replaced at a total cost to Mr T of £1,650. I'm unable to see the parts listed on the repair invoice as being excluded within the level of cover Mr T has, so it appears the parts which needed replacing are covered.

The terms and conditions also say: "All repairs must be carried out by an authorised BMW retailer or BMW service workshop". This is the term AWP has relied upon to decline the claim. I can see Mr T had the glass replaced through a reputable glass company, however the repair to the sunroof mechanism has been done by a manufacturing garage. Even if it wasn't it wouldn't be fair and reasonable for AWP to decline a claim for a breach of a term if the breach isn't material to the loss.

AWP hasn't shown why Mr T having the glass replaced though his motor insurance policy has prejudiced its position. And as the repair for the item claimed for has been done by a manufacturing garage, I'm not satisfied AWP has acted fairly and reasonably in declining this claim. This also follows for the point AWP raised about glass not being covered under the policy. I agree glass is excluded, however the invoice for the repair says: "replaced sunroof cassette" and then lists the parts for this, which doesn't include the glass.

So, when looking at this claim, Mr T has paid to replace covered parts which have suffered a mechanical or electrical failure. He shouldn't have needed to pay. Therefore, to put Mr T back in the position he should have been in, AWP needs to pay Mr T the £1,650 he paid for the repair, minus any applicable policy excess. AWP should also add 8% simple interest per year to the amount it pays to compensate Mr T for not having the money. When looking at the impact AWP's error in declining the claim has had on Mr T, I'm satisfied the £50 compensation offered is fair and reasonable for the poor claim handling. AWP should also pay this to Mr T if not already done so.

My final decision

For the reasons explained above, my final decision is that I uphold this complaint. I require AWP P&C SA to:

- Pay Mr T the £1,650 he paid for repair, minus any applicable policy excess. 8% simple interest per year needs to be added to what it pays, calculated from the date Mr T paid for the repair until the date payment is made
- Pay Mr T £50 for distress and inconvenience, if not already done so

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 28 July 2023.

Alex Newman
Ombudsman