

The complaint

Mr E complains that Fortegra Europe Insurance Company Ltd (Fortegra) declined his claim following an engine failure, under his motor warranty policy.

What happened

When driving his car Mr E noticed a loss of power. His vehicle was recovered, and he made a claim to Fortegra. He says his claim was declined based on an exclusion not declared within his policy. Mr E obtained an independent engineer's report that he says identifies a different cause to that claimed by the business. He says there are multiple parts that could be the cause of the engine failure.

In its final response to Mr E's complaint Fortegra says an independent engineer concluded the technician's diagnosis was correct. Specifically, the cause of the engine failure was the crankshaft bolt becoming loose. It says this component is excluded by its agreement.

Fortegra also refers to Mr E's engineer's report findings. It says a stretched timing chain and a lazy timing chain tensioner, aren't covered by his policy. It considers this to be the result of wear and tear. But maintains that the loose crankshaft bolt is the cause of the engine failure.

Mr E disagreed with this outcome and referred the matter to our service. Our investigator upheld his complaint. He says the policy doesn't exclude this component from cover. It specifically includes 'crankshaft' under the 'What is covered' section. Our investigator says it's unfair for Fortegra to decline Mr E's claim for the reason it gave. It should reconsider his claim based on the remaining terms and condition of its policy. He says it should also reimburse the £195 he paid for an independent engineer's report.

Mr E accepted our investigator's findings. Fortegra didn't respond. As an agreement wasn't reached the complaint has been passed 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.

Having done so I'm upholding Mr E's complaint, let me explain.

I've read the engineer's report Fortegra obtained. I've copied relevant excerpts below:

"General summary/Conclusions - The Examiner can confirm Valve to Piston Contact and subsequent damages, due to the Crankshaft drive gear being an interference fit (Without a Locating Woodruff Key) It is crucial that the crankshaft bolt is fully tightened to its specified torque to ensure the free floating crankshaft gear / pulley does not move. From the evidence presented the engineer is satisfied the repairer has followed a structured diagnostic path and can confirm valve piston contact has occurred with catastrophic damage present in cylinder number 5. Having considered the evidence and information provided, the engineer believes the engine damage is consistent with the technician's diagnosis of the crankshaft bolt

becoming loose. This would have led to the valvetrain / crankshaft timing becoming out of synchronisation causing irreversible engine damage. to be in a serviceable condition."

I've also read the report Mr E obtained. I've copied the relevant excerpts from the conclusion section below:

"In the absence of evidence of incorrect combustion, we conclude that the valve to piston contact had been the result of a stretched timing chain and a lazy timing chain tensioner. A stretched timing chain and a lazy timing chain tensioner induces timing chain chatter which, ultimately, can result in one or more teeth jumping that then causes the valve to piston contact. Timing chain chatter can also cause engine vibrations which could account for the displacement of the bottom pulley securing studs, however it doesn't account for the tooling witness markings on the centre securing bolt. The current level of stripping is insufficient to allow us to obtain evidence of a sudden and unforeseen material or mechanical failure."

I've thought about Fortegra's comments that a stretched timing chain and lazy timing chain tensioner, would be excluded due by wear and tear. Having read Mr E's policy terms, I think this is fair. The definition section sets out the following:

"Mechanical Breakdown: The actual breakage of a mechanical component or the complete failure of an electrical component causing a sudden stoppage of its function, not by Wear and Tear, normal deterioration, negligence or driver abuse which render components inoperative."

I think Fortegra's comments are persuasive that this type of failure is associated with wear and tear. As this is excluded in the policy terms, I agree there is no cover in place for this cause.

That said Fortegra maintains that it's the loose crankshaft pulley centre bolt that is the cause of the engine failure. I've read the policy exclusions, but I can't see that this is mentioned. The policy terms and conditions provide a section on *"What is Covered"*. This includes a segment headed, *"Engine – internal components"*. *"Crankshaft"* is included in this segment.

Fortegra declined Mr E's claim saying the crankshaft bolt is excluded from his agreement. But as discussed I can't see that this is the case. The crankshaft is included in the policy cover as a component that forms part of the engine. I don't think the average person would understand the difference between the crankshaft bolt and the crankshaft and would expect this to be covered. So, I don't think it's fair that Fortegra has decided to exclude the crankshaft bolt, which is part of this assembly.

Having considered all of this I don't think Fortegra treated Mr E fairly when declining his claim for the reason it gave. It should now reconsider his claim based on the remaining policy terms and conditions. I also agree with our investigator's view that Fortegra should reimburse the cost of the engineer's report Mr E paid for, as this shouldn't have been necessary.

Mr E has requested recompense for the interest charges he incurred when obtaining the finances to repair to his car. For clarity, I haven't instructed Fortegra to pay the claim, only to reconsider it. So, I can't ask it to pay the interest charges Mr E has requested.

If Mr E accepts my decision Fortegra must reconsider his claim based on the remaining terms and conditions of his policy. It can't rely on an exclusion relating to the crankshaft bolt.

My final decision

My final decision is that I uphold this complaint. Fortegra Europe Insurance Company Ltd should:

- reconsider Mr E's claim based on the remaining policy terms and conditions; and
- reimburse Mr E for the cost of his engineer's report.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 25 December 2023.

Mike Waldron
Ombudsman