

The complaint

Mr M is a partner in a partnership I will refer to as E. He complains about the decision of U K Insurance Limited trading as NIG to decline E's motor insurance claim.

What happened

The following is intended only as a brief summary of events. Additionally, whilst other parties have been involved in the correspondence, for the sake of simplicity I have largely just referred to E and NIG.

E operates a farm and held a motor insurance policy with NIG. In August 2022, E contacted NIG to claim for damage that had been sustained to a combine harvester (the tractor). The front wheel of the tractor had driven into a stone strainer and the drive shaft/pinion was damaged. By the time E had contacted NIG, the tractor had already been repaired, although the broken part was retained. (I note that this part then suffered some rusting, but it is agreed this was subsequent and hence not relevant to the claim.)

NIG's engineers assessed both photos of part and the physical part. Based on their assessment, NIG declined the claim on the basis that the cause of damage was wear and tear – something not covered by the policy.

E instructed an independent assessor to carry out a desk review of the damage. This assessor concluded that the cause of damage was a single event. E considered this was something that would fall under the accidental damage cover provided by the policy.

NIG then instructed an external expert report. This report said that:

“The fracture surface shows evidence of pitting and progression throughout the break indicating this is not the result of a single traumatic event.”

As such, NIG maintained its decision. E suggested that their assessor should meet with NIG's engineers on site to discuss the claim further. E considered that NIG's engineers and the external expert were not used to inspecting the type of vehicle. However, NIG declined this request, as it considered it had done enough to assess the claim.

E ultimately brought their complaint to the Ombudsman Service. However, our Investigator felt that NIG had acted fairly and reasonably in the circumstances. He said that it had obtained multiple reports, which were consistent and from qualified experts. And that NIG was entitled to rely on these to decline the claim.

E remained unsatisfied. It maintained that the experts NIG had relied upon were not experienced with agricultural vehicles, and were not independent. E said the photos showed no obvious corrosion, looks practically brand new with no signs of wear and tear, and that there was a very clean break.

As the Investigator was unable to resolve this complaint. It has been passed to me for a decision.

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 am not upholding this complaint, largely for the same reasons as the Investigator.

As the Investigator has said, the Ombudsman Service are not qualified engineers. We are generally reliant on the expert evidence provided. Ultimately, my role is to consider whether, in this case, NIG has come to its decision on the claim fairly and reasonably.

It may be that the impact suffered was the proverbial straw that broke the camel's back. However, in order for me to say that the claim should have been met, I would need to be persuaded that NIG should have concluded that the dominant cause of damage was the impact. And that this did not merely highlight an existing issue of wear and tear.

NIG has reached its decision by obtaining a number of reports. The reports are consistent that the damage to the tractor was ultimately the result of wear and tear. I note E has commented that the wording of the reports is similar, but this does not mean that they cannot be relied upon.

E's own assessor has come to different conclusions about the cause of damage. But I am not persuaded that this means NIG relying on the reports it obtained was unreasonable. Following on from the report from E's assessor, NIG instructed an external report of its own.

I also note E's comments about whether the external expert was truly independent. However, I consider that this was a professional providing his expert opinion. And I consider NIG was entitled to rely on this opinion when coming to its decision.

I have not discounted the evidence provided by E's assessor by any means. There is clearly a difference of opinion between the experts. But, in the circumstances, I am persuaded that NIG's actions were fair and reasonable.

E has said that the photos show a part that looks practically brand new with no signs of wear and tear. However, whilst I acknowledge that I am not an engineer, in my layperson's opinion the photos clearly do show damage that suggests to me that there was wear. And, in the circumstances I am persuaded that NIG was entitled to rely on the reports it obtained to decline the claim.

Ultimately, I am satisfied that NIG can rely on the reports it obtained to decline the claim. Whilst I appreciate it is not the outcome E was hoping for, it follows that I cannot fairly and reasonably ask NIG to do any more.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 March 2024.

Sam Thomas
Ombudsman