

## **The complaint**

Mr L complains that Premier Insurance Company Limited (“Premier”) declined a claim under his car insurance policy. The incident involved a named driver under his insurance policy, but for ease I’ll refer to him throughout.

## **What happened**

Mr L had a motor insurance policy with Premier covering his car. He bought the policy through an intermediary.

In May 2023 Mr L was driving his car when he noticed smoke coming from it. He pulled over and a highways officer used a fire extinguisher on the bonnet area. Mr L tried to report a claim to Premier but said it took him three days to do this. He told Premier there’d been a fire.

Premier told him it was likely his car would be beyond economic repair, so it was likely to be written off. It didn’t give him a courtesy car because his policy didn’t entitle him to one when he was making a claim for fire damage.

The car was collected by Premier and it was left in a storage compound waiting for Premier to inspect it and assess the damage. Mr L said he couldn’t find out where the car was being stored. He struggled to get through to Premier and it didn’t call him back.

Premier declined his claim. It said Mr L’s car didn’t have any coolant in it when it was inspected. Its engineer reported no signs of fire, although an extinguisher had been used. Premier thought the likely reason for the damage caused to the car was due to the lack of coolant. It referred to a part of the policy wording saying that his car had suffered mechanical failure which is excluded under the policy.

Mr L complained. Premier said it thought it had declined his claim fairly.

As Mr L remained unhappy, he brought his complaint to this service. He complains about the rejection of his claim, the lack of a courtesy car and the service provided by Premier during his claim. He explains how vital the car is due to his large family and their needs and that he’s incurred costs for taxis and a hire van. He asks that Premier pay his claim.

Our investigator looked into Mr L’s complaint and thought it wouldn’t be upheld.

Mr L didn’t agree with the view. Because he didn’t agree, his complaint has been passed to me to make 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 read the file of evidence, I’m not upholding Mr L’s complaint. I appreciate this will be a considerable disappointment for him, and I’ll explain why I’ve reached this decision.

Firstly, it's important I say that the role of this service is an informal alternative to the courts. We don't have the power to punish businesses for doing the wrong thing or making mistakes. Instead, we look at the impact of those mistakes on customers and aware compensation for distress and inconvenience caused.

Mr L has mentioned taking legal action against Premier and this is his right.

### ***The damage***

Mr L says that his car caught fire while it was being driven. He says this was confirmed by the named driver and the highways officer who happened to be behind the car when it stopped.

Premier's engineer provided a report, done on its behalf, which is dated about 17 days after the claim was reported. The report says there was no sign of an under-bonnet fire. A fire in this location would normally result in melting damage to cables and pipes, as well as smoke. The engineer said no damage of this type was evident. I appreciate Mr L's comment that the highways agency officer was on the scene very quickly and applied a dry powder extinguisher, but the engineer's report is explicit in this regard.

Premier declined Mr L's claim due to it being caused by mechanical failure, which its engineer said was the likely result of the coolant being dry. The engineer provided pictures of the dry coolant expansion tank.

In response, Mr L sent this service a photo of the engine bay he says shows the coolant tank holding fluid. I've looked carefully at these photos and I don't reasonably think Mr L's photo confirms that the coolant was present. I say this because, if a level is visible, it's well below the desired level shown clearly by the manufacturer. And if the apparent level is only a result of staining of the tank due to pigmentation in the coolant (which is clearly present as the engineer's picture of the tank interior shows) then it seems likely the tank is empty or very near to that.

But it's Premier's engineer's report I find most persuasive. They found the tank empty and has reported the engine likely overheated and caused damage. Which is why Premier declined Mr L's claim due to the mechanical failure exclusion mentioned above.

In the absence of evidence to the contrary, I think Premier's rejection of Mr L's claim is fair.

### ***Service***

Mr L has talked about several aspects of the service he had from Premier.

I've looked at the courtesy car cover provided under his policy. The IPID says:

*"Courtesy car whilst an approved repairer fixes your car (subject to availability)"*

The policy wording says that the courtesy car is available for a claim for loss or damage. Mr L was making a claim under the Fire and Theft section of the wording, which doesn't include cover for a hire car. And because the policy only provides a courtesy car while it's being repaired, and it was likely his car would be written off, he wasn't entitled to a courtesy car under the terms of his policy.

I appreciate Mr L may respond that his claim wasn't actually being made under the Fire and Theft section, but as I say above I think Premier fairly rejected his claim. What this means is that his claim wasn't valid and so he would never have been entitled to a courtesy car under

the policy.

Mr L also complains about Premier withholding information about where his car was being stored by it. Premier collected the car after the damage happened and kept it in a secure location waiting for its inspection. From the file I have, I think Mr L's frustration with Premier's service is linked to the lack of responses from Premier about its location and Premier's failure to return his calls.

I can see from Premier's evidence that it had some systems issues around this time. It replied to two of Mr L's calls by email and told him about the problems it was having.

Mr L has provided a partial list of calls he made to Premier from the time the damage was noticed through the claim period to the time his claim was rejected. It's important I say that an insurance claim usually brings with it a period of disruption and extra activity such as phonecalls and additional stresses over and above what might be expected in daily life. I've looked at the list of calls and I don't think they're excessive in volume or length given the complexity of the situation.

I can see from Mr L's evidence that he's found Premier's service poor throughout the claim. He's told this service that there was a delay of about three days making the claim which he said was due to not being able to get through to Premier. Then he says he was told his car would be inspected by 9 June at the latest – it was actually done on 13 June. While I don't think this is very good service, I don't reasonably think it materially affects the outcome of the claim. I can see that Mr L had access to another car which, while not large enough to carry his whole family, means he was at least mobile to some extent during the period. And as I say above, I don't think he was reasonably entitled to a courtesy car and his claim reasonably wasn't valid.

Following Premier's final response to his complaint, just over one month after it rejected his claim, Mr L was contacted by the storage site operator telling him where his car was. Part of Mr L's complaint says that Premier wouldn't tell him where his car was. I've read the file of evidence and I can't reasonably say Premier kept this information from him. I can see in the file there's mention of Mr L selling the car to the storage company, so again I don't think the knowledge of the location of the car materially affected the plans Mr L had for it.

So I'm not upholding Mr L's complaint and I don't require Premier to do anything.

### **My final decision**

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 14 March 2024.

Richard Sowden  
**Ombudsman**