

The complaint

Mr L complains about the way Acromas Insurance Company Limited handled a claim he made on his parts and garage cover (PGC).

What happened

In July 2023 Mr L tried to make a claim on his PGC cover following him seeing a warning light on his car. The claim was declined, as a roadside recovery hadn't been carried out on the vehicle, in line with the policy terms. Mr L complained about that and a complaint response was issued. Mr M didn't bring that complaint to this Service.

In August 2023, Mr L made a further claim on his PGC, following his car breaking down. Acromas declined the claim, it said the fault on the car was the same fault that had been identified – and not fixed – by Mr L in July 2023. It said the fault, for both breakdowns, related to a diesel particulate filter (DPF) sensor. And so, as it was a pre-existing fault that hadn't been dealt with, it was excluded under the policy. It also said there were several other reasons it could rely on to decline the claim.

Mr L complained, he said he had carried out a fix following the breakdown in July, he'd paid for a 'regen' of the DPF with the garage. Acromas didn't agree this was a fix to the issue, and so it said the fault reported in August 2023 was still a pre-existing one.

Unhappy with Acromas' response, Mr L complained to the Financial Ombudsman Service. Our Investigator thought the complaint should be upheld. He said as Acromas was relying on an exclusion (a pre-existing fault) it was for it to show it could fairly rely on it to decline the claim. He didn't think Acromas had shown this.

Acromas asked for an Ombudsman to consider the matter. It said under its policy terms, DPFs were excluded from repairs. It said 'regen' isn't a repair, and is only a temporary fix, which it said Mr L admitted to doing because he couldn't afford to replace the sensor. It also said it couldn't class the breakdown as sudden because the issue had happened in July, and the fault in August was then due to a slow build up in the DPF.

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 L's policy covers him for mechanical and electrical failure, which is defined as:

"The sudden and unforeseen breaking or burning out (electrical) of any insured part(s)."

When Mr L reported the August 2023 claim, he said his vehicle had stopped working when he was driving. So on the face of it, I think this can be considered 'sudden'. I've seen no evidence that Mr L was aware of any issue with the car, following work carried out in July 2023. So I consider the breakdown meets the definition of 'sudden'. I also consider it was, on the face of it, 'unforeseen'. I don't think it can be said that Mr L could have reasonably been aware the car would breakdown when he started his journey in August 2023, as he'd driven around 800 miles since it had last been in the garage in July 2023.

Mr L's policy lists the parts of the vehicle that are covered. It lists the *'fuel system'* as a part covered by the policy but says *'fuel particulate filters'* are not covered.

I've looked at the notes of the garage, provided by Acromas, from August 2023. Under 'parts' it says "*DPF pressure sensor*". From the information Acromas provided about how the DPF system works, I'm satisfied that the sensor isn't part of the filter itself, so I don't think it is excluded under the policy. I think it can be considered part of the 'fuel system', that is covered by the policy. So on the face of it, I'm satisfied Mr L had a sudden and unforeseen breakdown of an insured part.

Acromas says the claim is excluded because the repair needed in August 2023 had already been diagnosed as a fault in July 2023. The exclusion it has relied on says:

"The Mechanical or Electrical Failure was caused by faults, which You were aware of prior to the start of the journey on which the Breakdown occurred;

As Acromas is seeking to rely on the exclusion, the onus is on it to show it applies. So I've considered all of the evidence to decide if Mr L was aware of a fault when he started his journey in August. Acromas' position is that it asked Mr L, in a phone call in August 2023, whether he'd had the sensor fixed after his car broke down in July. Mr L replied that he hadn't, he'd done a regen and couldn't afford to replace the sensor. So it says, based on this, that Mr L knew of the fault prior to the start of the journey on which the breakdown occurred.

However, Mr L says as far as he was concerned, the issue was fixed in July 2023. And as set out above, it seems – based on the mileage reported by the garage on his July and August visits – that he'd driven around 800 miles, without issue, since the 'regen' was done. This doesn't support Acromas' position that Mr L was aware of a mechanical or electrical fault when he started his journey in August 2023.

Whilst I note Mr L told Acromas, during a phone call, that he couldn't afford to replace the sensor, I'm not satisfied, based on the evidence provided by Acromas, that this was recommended in July as a means to fixing the fault presented, and not acted upon. Mr L isn't, as far as I'm aware, a car mechanic or expert in this area. The screenshot provided by Acromas, from the garage, in July 2023 says under a section titled *'parts'*:

- EGR valve (which I understand to be an exhaust gas recirculation valve).
- DPF pressure sensor.

However, it doesn't give any detail or explanation of what the issue – if any – was with those parts. Or whether they needed replacing or otherwise.

Further, the information provided by Mr L from the garage who carried out the works says:

"parts fitted to your vehicle: DPF regen - needed"

This document was given to Mr L after his July 2023 visit to the garage. There is nothing on this document that says a sensor needed replacing, or any other works which had been needed hadn't been carried out.

So whilst Mr L did say he couldn't afford to replace a sensor, I'm not satisfied, on balance, he was told the only way to fix the fault presented in July 2023 was to replace the DPF sensor. None of the contemporaneous documentation refers to a need to replace the sensor/

The brief notes from the garage in August 2023, following the second breakdown, refer only to a "*DPF pressure sensor*". The EGR valve isn't mentioned. Again, there are no notes here on what the issue is.

Mr L has provided a screenshot of notes he received from the garage about his second breakdown. On 23 August 2023 the note says:

“This needs a exhaust pressure sensor. Last time it was in to us it had a DPF regen”

This doesn't say that the pressure sensor needed replacing previously. So I'm not persuaded, based on all of this evidence above, that Acromas has fairly shown the 'mechanical breakdown' in August 2023 was caused by the same 'fault' as previous. So, it follows that I'm not satisfied Mr L was aware of a fault with the DPF sensor prior to starting his journey in August 2023. And so it can't fairly rely on this exclusion to decline the claim.

As such, I think the fair and reasonable outcome of this complaint is for Acromas to settle the claim. Acromas has said, in its complaint response that there were many reasons it could decline the claim. However, I'd expect an insurer, when presented with a claim, to outline any reason it wants to rely on to decline it, at that point. It wouldn't be fair and reasonable for it to withhold information it later wants to rely on, should a complaint outcome be overturned by this Service.

So Acromas will need to reimburse Mr L what he paid for the sensor to be replaced. Mr L has provided the invoice for the work he had done, from this, I can see Mr L paid £165.92 for the sensor, including VAT. So Acromas will need to reimburse that amount, less any applicable policy excess, plus 8% simple interest per annum from the date of the invoice, until the date of settlement.

My final decision

My final decision is that I uphold this complaint and I direct Acromas Insurance Company Limited to reimburse Mr L the £165.92 he paid for his DPF sensor, less any applicable policy excess.

It needs to add 8% simple interest onto the amount, from the date of Mr L's invoice, until the date of settlement.*

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 November 2024.

*If Acromas Insurance Company Limited considers it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr L how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Michelle Henderson
Ombudsman