

The complaint

Mr B has complained about his parts and garage cover provider Acromas Insurance Company Limited because it declined his claim for a failed fuel pump.

Acromas has used an agent to handle the claim and complaint on its behalf. Acromas is responsible for the actions of its agent. For ease of reading though I'll only refer to Acromas in this decision.

What happened

Mr B had cause to make a complaint. As part of the resolution of that complaint, Acromas agreed to consider, under the parts and garage cover, Mr B's claim for repair of a fuel pump which failed in June 2023. Acromas subsequently declined the claim – it said it wouldn't cover faults which it had identified but hadn't caused the breakdown, or claims where the fault was known about before the breakdown occurred, or where the cover holder knew of the fault and continued to use the car. It felt all of these applied to Mr B's claim.

Acromas said that when Mr B's car had broken down in February 2023, its patrol had identified a secondary fault with the fuel pump, and the breakdown report had been shared with Mr B. But Mr B had only had the primary fault fixed – the one which caused the breakdown. Mr B, Acromas said, had used the car in the months since February 2023, having added around 8,000 miles to the clock, when the journey occurred in June 2023, during which the fuel pump finally failed.

Mr B didn't think the report from February 2023 did show a fault with the fuel pump. He said the diagnostic undertaken by the garage in February which fixed the primary fault, hadn't found an issue with the fuel pump. And the car had been fully serviced, including a further diagnostic check in May 2023 too. That also hadn't suggested there was any unresolved fault with the fuel pump. With Acromas not minded to change its mind, Mr B referred his complaint about the claim decline to the Financial Ombudsman Service.

Our Investigator wasn't persuaded that a fault with the fuel pump had been clearly identified during the breakdown in February 2023. And she was satisfied the subsequent diagnostics showed this was unlikely. She felt a fair and reasonable remedy was for Acromas to settle the claim, adding interest to any payment made to Mr B.

Mr B was satisfied by this. Acromas said it disagreed with it. It said it was patently obvious to it that a fault had been shown to exist in February 2023 with the fuel pump and which Mr B had not acted to fix. Although it conceded that Mr B had likely not acted deliberately to ignore a known issue, it felt it was unfair for it to have to provide settlement when the issue was so clearly (in its view) excluded from cover.

Our Investigator explained to Acromas that she did not think the breakdown report from February 2023 clearly showed a fault with the fuel pump existed. She noted it felt that it could have been a very tiny fault which had then progressed in the following months. She asked Acromas if it had any expert evidence to further explain or support this.

Acromas responded explaining that the claim had been reviewed several times over by in-house experts, with all of that adding into the claim outcome and complaint replies. It said it was “with respect, unable to qualify our position any further nor clearer”. The complaint was, therefore, referred for an Ombudsman’s 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 find my view is the same as that expressed by our Investigator. I think Acromas should settle this claim without delay.

The policy offers cover towards the cost of repairing or replacing ‘insured parts’. Acromas hasn’t argued that the parts in question here are not insured, rather it has sought to rely on certain exclusions to the cover to decline the claim.

As with any policy of insurance Acromas, if it wants to decline this claim, has to show the exclusions it is looking to rely upon most likely apply. If it can’t show that it will have to settle the claim. I don’t think it’s done that here. And I bear in mind that when it objected to our Investigator’s view it was given a further chance to provide expert evidence to support the position it had taken. I note it says it’s consulted with experts and completed several reviews relying on the knowledge and expertise within its department to do so. But none of that is clearly evidenced in what it has presented. The only piece of expert evidence I have seen from Acromas is the February 2023 breakdown report.

The breakdown report isn’t clear. It is mainly a record of codes and system changes. It’s possible the detail contained amounts to a repair expert having identified and logged a fault with the fuel pump. And it’s possible that Acromas could have had an expert confirm that. But that isn’t the case. So I have to set an unclear log against the other available expert evidence to decide whether its most likely there was a fault with the fuel pump in February 2023.

The other expert evidence are diagnostics completed by Mr B’s garage in February 2023, after the breakdown, and May 2023, when the garage completed a major service. No print-out or report from the diagnostics has been provided. But I accept that the fact the garage didn’t then do any work on the fuel pump is sufficient proof that no fault with it was found. And I say that because nothing I have seen makes me think Mr B is a reckless man, prepared to pay for the top level of service, only to then not have identified faults repaired.

I’ve also born in mind the research undertaken by Mr B. It doesn’t hold as much weight as expert evidence would. But equally I think it holds some relevance. And Acromas has had the chance to refute this detail with a response from an expert but chose not to do so.

The first research point Mr B made was that the primary fault in February 2023 was with the glow plugs. And that some symptoms of glow plug issues affect the fuel efficiency and engine performance, potentially causing the car to think there’s a fuel pump issue. That seems to make sense to me, and I bear in mind that once the glow plugs were fixed, the subsequent diagnostics found no issues with the fuel pump.

Second, Mr B said fuel pumps fail quickly. That certainly seems to be what the internet says. As noted, nothing has been forthcoming from an expert from Acromas. Acromas’ non-expert reply in this respect is that the fault in February 2023 may have been tiny, so tiny that it then didn’t show on two subsequent diagnostics or cause any major issues with the car until it failed completely in June 2023. I’m not persuaded Acromas’ view in this respect seems very

plausible. As it has pointed out, the car did around 8,000 miles between February and June 2023. A fuel pump is a part in constant use and under constant pressure. From a purely layman's perspective, it would seem to me that a part like that, once there is a fault, would most likely deteriorate and then fail quite quickly.

On this occasion I'm not persuaded that Acromas has shown that there was most likely a fault with the fuel pump identified by it in February 2023, as a secondary issue to the primary cause of breakdown at that time. Nor am I persuaded that Mr B used his car over the following months knowing a fault had developed or started his journey in June 2023 whilst being aware of a fault. As such, as I noted at the start, Acromas hasn't shown that its reliance on the exclusions to decline the claim was fair and reasonable.

Putting things right

I'm satisfied that the time has now come for this claim for Mr B to be settled by Acromas. It can use the remaining terms of the warranty to determine what should be paid. To any settlement sum due to Mr B it should apply interest from the date he paid for the work until settlement is made.

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require Acromas to take off tax from this interest. If asked, it must give Mr B a certificate showing how much tax it's taken off.

My final decision

I uphold this complaint. I require Acromas Insurance Company Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 May 2024.

Fiona Robinson
Ombudsman