

The complaint

Mr B complains about Zurich Insurance PLC's decision to partly decline a claim made under his motor insurance policy.

Any reference to Zurich includes the actions of its agents.

What happened

The circumstances of this complaint are well known to both parties, so I've summarised events.

- Mr B has a motor insurance policy for his vehicle. The policy is underwritten by Zurich.
- He made a claim on his policy following an incident with a third-party vehicle. Zurich agreed to cover some of the damage but said the issue with the central locking system wasn't caused by the incident and so, wasn't covered. It said if Mr B provided his own expert engineer's report to show it was, it would consider this.
- Mr B disagreed with Zurich's decision. He raised concerns about how it had been reached, and thought it was unfair he'd have to bear the cost of providing an expert's report. So, he brought a complaint to this Service.
- An Investigator considered things but didn't uphold the complaint saying that without evidence to contradict Zurich's engineer's report - which in his opinion didn't contain any obvious inaccuracies - he wasn't persuaded its decision to not repair the locking system was unfair.
- Mr B disagreed and so, the complaint has been passed to me 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.

I've also kept in mind Zurich's responsibility as an insurer to handle claims promptly, fairly and to not unreasonably decline a claim. Having done so, I agree with the outcome our Investigator reached and I'll explain why. Whilst I have reviewed all the information provided, I have only addressed those issues which I consider to be material to deciding the complaint.

The key issue is whether Zurich's decision to decline the claim in respect of the central locking system is both in line with the policy terms, and fair and reasonable in the circumstances.

The starting point is the policy document which says the policy covers damage or total loss caused by accidental damage; malicious damage and vandalism; fire, self-ignition, lightning,

or explosion; theft or attempted theft. It goes on to say:

“We will pay for the cost of repairing damage caused to your vehicle as a direct result of an event shown above [...]”.

So, the policy makes it clear that for the damage to be covered it must be as a direct result of an insured event. Here, Zurich says the central locking system issue wasn't caused as a direct result of the incident Mr B's vehicle was involved in. So, on its face, its decision to decline the claim on this basis is in line with the policy terms.

However, I've considered whether the decision is fair and reasonable based on the available evidence. In reaching its conclusion, Zurich has relied on an expert engineer's findings. Notably the engineer says:

“The vehicle has had a light impact to the nearside resulting in slight panel damage. [...] I cannot see how this fairly light damage on the opposite end of the door to the locking mechanisms has affected the central locking and it is my opinion this is not accident related.”

I'm persuaded it's reasonable for Zurich to rely on the engineer's findings to not cover the central locking system - I say this for a few reasons. First, the report was carried out by a suitably qualified engineer. I accept Mr B doesn't consider a desktop review to be sufficient, but that alone wouldn't persuade me it can't reasonably be relied on. Particularly when there's no obvious mistakes of fact and a plausible explanation has been given as to why the issue with the central locking system is unlikely to be a direct result of the incident. Namely, because the “light damage” wasn't proximate to the door locking mechanism. So, without persuasive evidence to the contrary, I don't consider Zurich's conclusion - that the central locking issue wasn't a direct result of the incident - to be unreasonable.

Mr B is unhappy with the communication he's received from Zurich. He's said he was told a physical inspection of his vehicle would be carried out, but that this didn't happen. I agree - Zurich did say it would arrange a physical inspection of the vehicle to see if the central locking was incident related. But Zurich has said a physical inspection didn't go ahead because the engineer remained of the view the incident damage wasn't proximate to the central locking system - and a physical inspection of the vehicle wouldn't change that.

Ultimately, it's not for Zurich to determine the cause of the fault with the central locking system - it only has to decide whether it was a direct result of the incident. Which is why it has said the vehicle dealership or manufacturer can advise on the cause of the fault and that if it was found to be as a result of the incident - Zurich would consider this. I appreciate Mr B has frustrations regarding this, but I don't consider Zurich's handling of matters to warrant compensation. Nor does it mean the engineer's conclusion, following the desktop report, can't reasonably be relied upon.

I appreciate Mr B will be disappointed by this outcome given he strongly feels the central locking issue started after the incident. I also note his concerns about the financial implications on him in having to arrange his own engineer's assessment. Whilst I sympathise with his situation, ultimately, it's for him to show there is an insured event and that the damage is the direct result of the incident. And so, I can't say Zurich has treated him unfairly in suggesting he obtain an independent engineer's report from a suitably qualified expert to support his position. Zurich has said if he does, it will consider the evidence - which is what I would expect it to do. But as things stand, I won't be directing Zurich to cover repairs regarding the central locking system.

Mr B has told us he's unhappy his premium increased at renewal. I haven't been provided

with evidence to show this has been addressed by Zurich as it doesn't feature in its final response letter. If Mr B has concerns specifically about how his premium has been calculated - beyond his frustration at paying for a policy, he doesn't feel he's had the benefit of - he'd need to raise this with Zurich before this Service can become involved. So, I won't be commenting on this further.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 April 2024.

Nicola Beakhust
Ombudsman