

## The complaint

Miss L complains that esure Insurance Limited (esure) declined her claim for water damage to her car, under her motor insurance policy.

## What happened

Miss L says she was driving in torrential rain. A passing car drove through flood water, which covered her car. The engine cut out. She was able to restart the engine and drive on. A day later she says the car suffered a loss of power. Miss L took her car to a local garage. It told her there was a build-up of soot in the engine. A fuel injector and hose were replaced, but this didn't resolve the problem.

Miss L sent her car to a different garage for diagnostic tests. She was told there was water in the engine, and this would need to be replaced. Miss L contacted esure to make a claim and it arranged for the main dealer to investigate the issue. She says it ran some very simple diagnostics and concluded a fuel injector and glow plugs needed replacing. Miss L says this was caused by water ingress. But esure declined her claim stating the issue was mechanical and not due to water damage.

Miss L wasn't satisfied with esure's decision and complained.

In its final complaint response esure says the main dealers view of the damage was more persuasive than the garage Miss L had used. It says the damaged injector and glow plugs were the result of mechanical failure. It says this isn't covered by Miss L's policy. esure acknowledged some delays and instances of poor claim handling had occurred. It paid Miss L £200 compensation for this.

Miss L didn't think esure had treated her fairly and referred the matter to our service. Our investigator upheld her complaint. He says esure hasn't shown what the cause of the damage to the injector and glow plugs was - if this wasn't related to water ingress. He says the information from Miss L's garage indicates there were electrical problems with her car. Given that the engine problem occurred immediately after the floodwater incident, our investigator says it's more likely than not that the damage was due to water ingress as opposed to mechanical failure.

Our investigator says esure should accept Miss L's claim. It should also pay a further £300 for the distress and inconvenience it caused her.

Miss L accepted this outcome. esure didn't and asked for an ombudsman to consider the matter.

It has been passed to me to decide.

I issued a provisional decision in April 2024 explaining that I was intending to not uphold Miss L's complaint. Here's what I said:

*provisional findings*

*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 my intention is to not uphold this complaint. I'm sorry to disappoint Miss L but I'll explain why I think my decision is fair.*

*It's for the insured to show they've suffered a loss (fire, theft etc). If they can, then, generally speaking, the insurer must pay the claim. This is unless it can reasonably rely on a policy exclusion not to. I've thought carefully about whether an exclusion can be applied to Miss L's claim.*

*I've read the report provided by Miss L's garage. It says a diagnostic test showed two cylinders with "implausible values". It says the air filter had been changed and the housing was wet. It confirmed with the previous garage that the filter was changed because it was wet. The report says the previous garage referred to having inspected "the bores" that were creamy inside. It also says Miss L's car had "induced water" caused by driving through water or in the wake of another vehicle. It says most people are unaware of the catastrophic engine damage this can cause.*

*It was after this inspection that Miss L made a claim to esure. It then arranged for the main dealer to assess the damage. From the information provided both garages look to have performed the same tests. The emails exchanged between the main dealer garage and esure say the damage looks to be a mechanical failure rather than the result of water damage. I've seen the invoice it sent to esure. It says diagnostics were carried out and faults were found in the fuel injector and glow plugs. It also says that no water damage was found.*

*A technician sheet was also provided by the main dealer. This provides more detail around the investigations it carried out. It refers to the engine "running rough" and several tests that were completed. There's no mention of water damage.*

*In its submissions to our service esure's engineer comments that Miss L's car engine ran. If the car had taken in water the engineer says it wouldn't run and says the water would've "hydro-locked" the engine.*

*I'm not an engineer so I must rely on the opinion of those who are. I don't doubt Miss L's testimony that her car engine cut out after being covered with flood water by a passing car. But having considered the evidence, I'm more persuaded by the main dealer's report as an expert in Miss L's make and model of car. The main dealer confirms there is no water damage to the car engine. It says the injector and glow plugs need replacing as a result of mechanical failure. But it doesn't say that this damage resulted from the water incident Miss L reported. esure's engineer's comments are also persuasive that the engine wouldn't run had it taken in water.*

*I can see that Miss L's policy terms and conditions specifically exclude mechanical failure and faults.*

*The report from Miss L's garage says the previous garage had referred to signs of water ingress. But I haven't seen evidence from that garage. This isn't something the latter garage identified from its investigation.*

*If Miss L obtains an engineer's report that demonstrates her car was damaged by water ingress, esure should consider this information. But, based on the evidence I've seen I don't think it treated Miss L unfairly when relying on the policy exclusion it did to decline her claim. I think the compensation it paid is reasonable for the claim handling shortfalls it identified.*

*But I can't fairly ask it to do anymore.*

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

esure didn't respond with any further information or comments for me to consider.

Miss L responded to say she is concerned that the main dealer only completed basic diagnostics. She says when she contacted it, she was told the issue was with a glow plug and an injector. She asked it to carry out the necessary work, and then told the garage about the water ingress issue. Miss L says the main dealer didn't know anything about an issue due to water ingress. She says it also told her it would cost £400 to determine if there was water in the engine.

Miss L says she's unsure why the main dealer didn't carry out full diagnostics to determine if there was water in the engine. In addition, she asks if she was to pay for the work to fix the injector and glow plug, and water was found in the engine would esure consider this further.

### **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've not seen a reason to change my provisional findings.

esure's engineer explains that after the incident Miss L reported, it's been shown that her car engine was able to run. If water had entered the engine it says this wouldn't be possible. It says the ingress of water would cause the engine to hydro-lock. But there was no sign of this happening.

I acknowledge what Miss L says about the main dealer focusing on the glow plug and injector issue. But from the expert opinion provided the engine wouldn't run if water had entered into the engine. I understand hydro-locking occurs because water can't be compressed. If it gets into the engine this results in significant damage. The evidence doesn't support this happened to Miss L's car.

Miss L asks if esure will consider her claim if the main dealer finds evidence of water in her car's engine. In my provisional decision I said that if she obtains an engineer's report that demonstrates her car was damaged by water ingress, esure should consider this information. But it is for Miss L to obtain a report. Based on what I've read I'm satisfied that esure treated Miss L fairly when it declined her claim for the reason it gave.

### **My final decision**

For the reasons I've explained above, and in my provisional decision, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 11 June 2024.

Mike Waldron  
**Ombudsman**