

The complaint

Mr and Mrs B complain that Motors Insurance Company Limited ('MIC') unfairly declined a claim under their insurance policy.

Both Mr and Mrs B are named policyholders on their MIC policy, so any claim or complaint is brought by them both. But for simplicity, and because most of the information about the complaint has been provided by Mr B, I'll refer mainly to Mr B from here onward.

The policy was sold and is administered by a third party company on MIC's behalf and all Mr B's correspondence has been with this company. However, MIC is the policy underwriter, so the complaint is against MIC. Any reference to MIC in my decision includes the administrator.

What happened

Mr B had an Alloy Wheel Repair Insurance policy. In August 2023, he made a claim to MIC for damage to all four of his alloy wheels.

MIC declined the claim. It told him the photos he'd sent via its online portal showed corrosion on the wheels. It said: "*The location of the damage and corrosion combined is indicative that the damage has been on the wheel for a considerable amount of time.*" Mr B's policy requires him to report any damage within 30 days. MIC believed the damage was older than that so wasn't covered by his policy. It declined his claim.

Mr B is unhappy with this. He says, in summary:

- He accepts there's some wear and tear around the centre of his wheels but he isn't claiming for this.
- His claim is for damage to the wheel rims.
- He contacted MIC within 30 days of this damage happening.
- MIC's assessor focused on areas of the wheels that he wasn't claiming for.
- He doesn't think MIC should decline the claim without inspecting the wheels.
- He wants MIC either to settle his claim or refund his premium, plus interest.

Our investigator didn't recommend that Mr B's complaint should be upheld. She was satisfied that photos of the wheels showed evidence of corrosion. This isn't covered by Mr B's policy, so she thought MIC's decision to decline the claim was fair.

Mr B disagreed with our investigator, so the case was passed to me to make a final 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.

Page 10 of Mr B's policy booklet says: "*We will not cover... claims made more than 30 days after the damage happened [and] any damage that the administrator believes has corroded due to you not reporting the claim within 30 days....*"

MIC explained that when damage is left longer than 30 days there's a high chance the corrosion will spread, compromising any repair. It told us that in Mr B's claim, *"The location of the damage and corrosion combined is indicative that the damage has been on the wheel for a considerable amount of time."*

It sent us photos of Mr B's wheels from an earlier claim in July 2022. These photos show damage to the hub and the rim of Mr B's wheels. The earlier claim was declined for the same reason: evidence of corrosion, suggesting the damage was more than 30 days old at the time of the claim.

I've reviewed the August 2023 photos provided by both Mr B and MIC. There's clearly considerable damage – scuffs and chips – to the wheel rims, as well as scarring to tyres. I think the damage to the rims is more significant than the damage shown in the 2022 photos, so happened sometime after July 2022.

However, the 2023 photos also show the same damage around the wheel hubs. MIC has highlighted evidence of corrosion in this area, as well as to the spokes and rim. I think this corrosion is evidence that at least some of the damage to Mr B's wheels was more than 30 days old at the time of his claim. I'm satisfied that some of the damage to the rims is also longer term. I think it would be difficult to isolate the longer term damage from the more recent damage in any repair. And I accept MIC's evidence that even if a 'partial' repair was possible, this would be compromised by the corrosion.

I'm satisfied that there's evidence of corrosion on the wheels. I think MIC's decision to decline the claim based on the 30-day policy exclusion was reasonable. It follows that I don't uphold the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 26 December 2024.

Simon Begley
Ombudsman