

The complaint

Mr B complains about Acromas Insurance Company Limited ('AICL')'s handling of a claim on his motor warranty.

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

What happened

Mr B took out AICL breakdown cover on 31 October 2023 via an insurance intermediary. On 22 November, his car broke down and was collected by the intermediary's recovery agent. Mr B reported this to AICL who explained the claim process. It told him its technical team would assess the claim as soon as the mechanic had diagnosed the fault, and tell him its decision via text message.

AICL's technical expert called Mr B to discuss his claim on 6 December, just under two weeks after the garage diagnosed the problem. AICL's agent explained that:

- The garage diagnosed failure of the front differential.
- AICL's independent assessor inspected the faulty parts on 24 November.
- The assessor concluded the damage was due to wear and deterioration.
- The report shows this fault had been developing for some time, so existed before Mr B took out the policy. This meant it wasn't covered by his warranty.

Mr B understood this but told AICL's expert:

- He was unhappy it took two weeks for AICL to make a decision on his claim. He'd been told this would happen much quicker.
- He was frustrated his claim hadn't been accepted, especially because the recovery agent told him his policy would cover the damage.

AICL didn't uphold the complaint. It said:

- Its recovery agent wasn't trained to assess claims. It apologised for this.
- Its agent told Mr B it would text him "*in the event of a successful claim*". As the claim was unsuccessful, "*no text was sent*".
- It asked its independent assessor to inspect the car on 24 November. It received the assessor's report on 6 December. Its technical team called Mr B within two hours of receiving the report.
- It confirmed the damage wasn't covered by Mr B's policy.

Our investigator didn't recommend that the complaint should be upheld. She didn't think there were any avoidable delays before AICL told Mr B that his claim had been declined. She didn't think AICL needed to do anything more.

Mr B didn't accept this, so the complaint 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.

On the claim itself, I find:

- Page 5 of the policy booklet says: *"Before any repairs are started you and the repairer must agree on what needs to be done and these repairs must then be authorised by the Parts and Garage Cover claim handler."* ('How to make a claim', step 4).
- AICL's claims handling agent told Mr B its technical team would discuss the repairs with the garage before it would accept the claim.
- The independent assessor's report is detailed and comprehensive. He found the pinion bearing *"displayed heavy pitting... with in service wear marks"*, the main input bearing *"had collapsed"*, and the seal *"was worn and had deteriorated"*.
- The report explains how pitting occurs and how it affects the relevant part. It concluded that the damage is due to *"wear and deterioration"*.
- Page 12 of the policy booklet says: *"This policy will not cover any costs for repairs following a Mechanical or Electrical Failure if the faults existed prior to the purchase of this cover..."* ('General Exclusions', para 1a).
- AICL's technical expert explained this in a 36 minute phone call with Mr B on 6 December. I've listened to the call and his explanation was clear, detailed, and understood by Mr B.

For the reasons, I'm satisfied that the damage to Mr B's car isn't covered by his policy and AICL's decision to decline the claim was fair.

On AICL's claim handling, I find:

- AICL's agent explained the claims process to Mr B when he first called on 22 November, including the likely timetable for giving him a decision about his claim.
- The agent on the 23 November call told Mr B AICL's technical team would speak to the garage *"in the next couple of minutes."* AICL would then *"provide the outcome of the claim via text message to yourself so you just need to wait for our text."*
- I don't accept AICL's statement that Mr B was told he'd receive a text only in the event of a successful claim.
- AICL's records show that its assessor inspected the car on 24 November. AICL didn't receive his report until 6 December.
- Mr B wasn't told there might be this sort of delay before AICL would make a decision on his claim.

I agree with Mr B that AICL's agent told him he'd get a decision via text. I also think AICL led Mr B to believe he'd receive a decision within a day of its technical team discussing the fault with the garage. I think AICL should have managed Mr B's expectations better.

I understand why Mr B was frustrated at the delay between the garage's diagnosis and AICL's decision on his claim. However, he was incredibly calm and understanding when AICL's technical expert called to explain its decision. I don't think the delay caused him any undue distress or inconvenience. I think AICL's apology is sufficient in this case.

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 to accept or reject my decision before 18 January 2025.

Simon Begley
Ombudsman