

The complaint

Mrs C complains esure Insurance Limited (esure) unfairly declined to settle her claim on her motor insurance policy.

There are several parties and representatives of esure involved throughout the complaint but for the purposes of this complaint I'm only going to refer to esure.

What happened

In August 2024 Mrs C said her car was struck by lightning to the front of the bonnet, causing a fire. She made a claim on her motor insurance policy. She said smoke came out from under the bonnet. Based on the information provided by Mrs C esure said the car would be a total loss.

The car was taken to esure's approved repair partner. When the car was inspected no fire damage was found. Mrs C contested this and so esure arranged for an independent inspection to take place. This inspection concluded there was no fire or smoke damage to the car. esure said engine oil had been leaking creating smoke and a burning smell. It said this was a service issue and was not covered by the policy.

Because Mrs C was not happy with esure, she brought the complaint to our service. Our investigator did not uphold the complaint. They looked into the case and were satisfied esure had shown there was an oil leak suggesting wear and tear. They thought esure had acted fairly and in line with the policy when declining the claim.

As Mrs C is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

When Mrs C made the claim on her motor insurance policy and told esure there was fire and smoke damage to her car, prior to any inspection esure initially said it was a total loss. I saw it advised her at this time that if when the vehicle was evaluated the cause of the fire was found to be due to mechanical failure, it wouldn't cover the claim.

I saw esure instructed its approved salvage partner to collect the car from Mrs C. However she didn't allow this because she wanted to retain her car. I saw esure explained it needed to inspect the car to obtain a valuation but Mrs C would still not allow it to be taken by the salvage partner.

esure provided a hire car for Mrs C, as was due under the terms of her policy, so she was not left without transport. Her car was taken to an esure approved repairer to be evaluated. When esure looked at images of the car it could not see much damage so it changed its stance and said it would not be dealing with it as a total loss claim.

When the car was inspected by esure's approved repairer no damage was found that could be linked to recent smoke or fire damage. But because Mrs C disagreed with the findings esure agreed for an independent inspection to take place.

I looked at the independent inspection report. This took place on 10 September 2024. It said the car started and ran in a satisfactory manner and no warning lights were illuminated on the instrument panel. It said no evidence of fire or smoke damage was found in the engine bay or the interior of the car. It identified an oil leak and concluded this had caused hot oil to create smoke. The report also referenced that the last two years MOT inspections advised of an oil leak. I saw the most recent MOT took place on 21 May 2024 which was after Mrs C bought it in March 2024.

Mrs C said she wanted the car to be taken to a repairer chosen by herself. It was taken to this garage of her choice on 20 September 2024. Mrs C provided a copy of an invoice from this garage. This detailed recall work had been undertaken and also recorded it had inspected the vehicle for signs of an oil leak but there were no signs at the time of the test. Although I acknowledge this statement was included at the bottom of this invoice, no further expert evidence has been provided to support and validate this. Therefore I am more persuaded by the detailed inspection reports that there is no incident damage and the MOT reports that confirm an oil leak.

Mrs C has been asked a number of times exactly what she is looking to be repaired on her car. She has not been able to be clear and said she cannot make a decision.

Because no damage has been found to Mrs C's car and because it had been found to run in a satisfactory manner, I cannot see that there is anything to be repaired in this case. I'm satisfied the oil leak that likely caused the smoke that Mrs C saw was a pre-existing issue that was there before the claim was made. This means it is a wear and tear issue that is not covered under the terms and conditions of her policy.

Therefore, I don't uphold Mrs C's complaint and don't require esure to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 1 January 2025.

Sally-Ann Harding
Ombudsman