

The complaint

Mr G complains that The Salvation Army General Insurance Corporation (SAGIC) declined his claim against his mobility scooter insurance. Reference to SAGIC includes its agents.

What happened

In May 2024, Mr G renewed his annual mobility scooter insurance underwritten by SAGIC. In June 2024, Mr G had a problem with the scooter whilst he was using it. He contacted SAGIC about making a claim. I'll refer to that phone conversation in more detail below. SAGIC told Mr G he'd need to provide an engineer's report to establish the cause of the problem.

Mr G arranged for an engineer to inspect his mobility scooter. The engineer said Mr G's mobility scooter required a new battery, charging port, charger, lead, brake, residual current device and motor.

SAGIC declined Mr G's claim. It relied on an exclusion in the policy which says there's no cover under the '*Extended Warranty*' provisions where the mobility scooter hasn't been serviced within 12 months of the claim. SAGIC also said cover for batteries are excluded from cover. In July 2024, Mr G cancelled his direct debit payment for the premium and his policy was subsequently cancelled.

Mr G wants SAGIC to pay his claim and to refund the premiums he has paid for both the policy relevant to this complaint and another policy for another mobility scooter.

One of our Investigators looked at what had happened. She didn't think SAGIC had acted unfairly in declining Mr G's claim. The Investigator said SAGIC had acted fairly and reasonably in asking Mr G to provide an engineer's report. She said SAGIC was entitled to rely on the exclusions in the policy. The Investigator said SAGIC took reasonable steps to bring the policy terms to Mr G's attention at the outset.

Mr G didn't agree with the Investigator. He says SAGIC didn't act fairly in declining his claim or in retaining his premiums. Mr G asked that an Ombudsman consider his complaint, so it was passed to me to decide.

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 taken into account the law, regulation and good practice. Above all, I've considered what's fair and reasonable. I don't uphold Mr G's complaint and I'll explain why:

- Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The onus is on the consumer to show the claim falls under one of the agreed areas of cover within the policy. If the claim is

declined on the basis of an exclusion set out in the policy, the onus shifts to the insurer to show how the exclusion applies.

- Subject to the policy terms, Mr G's policy provided cover for loss or damage to his mobility scooter caused by accidental damage, fire, flood, malicious damage, vandalism, storm and theft. Under the '*Extended Warranty*' provisions there was also cover for the cost of repairs and/or replacement parts in the event of sudden and unforeseen electrical or mechanical breakdown of his mobility scooter.
- I don't think SAGIC was at fault in asking Mr G to provide an engineer's report to establish how the damage occurred. That's because the cause of the breakdown of Mr G's mobility scooter wasn't clear at the outset. If the engineer's report showed the damage was caused by accidental damage, SAGIC may have paid the claim. One of the general conditions of the policy says Mr G must provide SAGIC with all evidence it may reasonably require, at his expense. That's a common term in policies of this kind. SAGIC required information from an engineer in order to establish what caused the breakdown of Mr G's mobility scooter.
- The information from the engineer indicated Mr G's mobility scooter had an electrical breakdown. When Mr G first contacted SAGIC about his claim, he said he'd never had his scooter serviced. SAGIC explained that meant it wouldn't pay his claim under the '*Extended Warranty*' cover because he hadn't had his scooter serviced in the last twelve months. And in its subsequent letter to Mr G, SAGIC added that cover for batteries is excluded in the policy. I don't think SAGIC acted unfairly or unreasonably in relying on the exclusions to which it referred. I appreciate Mr G says his mobility scooter had low mileage and hadn't been used for several months. Neither of those factors affect whether SAGIC can rely on the exclusions in the policy. I don't think SAGIC acted unfairly or unreasonably in declining Mr G's claim in this case.
- SAGIC was obliged to provide Mr G with information about the policy that's clear and not misleading. I've looked at the information SAGIC made available to Mr G when he took out the policy. When Mr G renewed his policy online, the following information was brought to his attention:

'Extended Warranty

[...]

Important

Please note that this cover excludes any issues with wheels, battery or wear and tear to moving parts.

The insured item must be serviced annually.'

In addition, the policy terms set out clearly that there's no cover under '*Extended Warranty*' for batteries or where the mobility scooter hasn't been serviced by a reputable mobility scooter dealer or repairer within 12 months of the date of a claim. I think SAGIC gave Mr G sufficient information to enable him to decide whether the policy was right for him.

- Based on what I've seen and heard, Mr G cancelled his policy with SAGIC as he didn't think it had declined his claim fairly. There are no grounds on which I can fairly direct SAGIC to refund the premium Mr G paid. That's because he had the benefit of cover whilst the policy was in force.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 February 2025.

Louise Povey
Ombudsman