

The complaint

Mr N has complained that Acromas Insurance Company Limited ('Acromas') turned down a claim he made on the parts and garage/breakdown repair cover he had for his car.

What happened

Mr N took out parts and garage cover as an optional extra alongside a membership he has for his car which also includes other policies. This cover is underwritten by Acromas.

In May 2024 Mr N contacted his roadside assistance provider after one of the wing mirrors on his car stopped working. He said he wasn't able to open and close it electronically. A rescue patrol attended and told Mr N to take his car to a garage for it to be assessed. Mr N then made a claim on his parts and garage cover with Acromas.

Acromas turned the claim down and said that there was no cover as the claim wasn't made following a sudden electrical or mechanical fault as required under the policy. It said the car was still driveable and that Mr N had not broken down.

Mr N complained and said that some of Acromas' staff were rude to him and kept him on hold for a long time. He also said he was still waiting for a full explanation as to why his claim wasn't covered.

Acromas didn't uphold the complaint and said its actions were correct and in line with its terms and conditions. It said its staff had followed the correct process and that on one occasion one of the calls dropped after five minutes.

Mr N said he wanted to cancel his membership and get a refund and didn't see why he should keep it if he wasn't covered.

Acromas responded to Mr N once more and said its decision remained unchanged. It said it wasn't able to cancel his membership itself but also said that Mr N wouldn't be provided with a refund as he had already used this service. It also said that, under the terms and conditions, no refund would be provided after the 14-day cooling off period.

Mr N then brought his complaint to us and said he had to pay for the wing mirror himself and wanted Acromas to pay him back. He said if not, he wanted to cancel the policy and get a refund and that this was the second claim Acromas had turned down for similar reasons.

One of our investigators reviewed the complaint but didn't think it should be upheld. Our investigator agreed with Acromas' reasons for turning the claim down and said that it was acting in line with its terms and conditions.

Mr N didn't agree and asked for an ombudsman's decision so the matter 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.

The policy provides cover for the repair or replacement of insured parts following a breakdown. It defines "breakdown" as a sudden or unexpected event which results from a mechanical or electrical failure, is attended by a recovery service and which has prevented the insured vehicle from starting or continuing its journey safely. The vehicle must also require a repair or replacement of insured parts to enable its journey to be resumed safely. A "mechanical or electrical failure" is defined as a sudden and unforeseen breaking or burning out of insured parts. The policy lists a number of parts which are included in the cover. Wing mirrors are not listed.

The policy also states that if it is cancelled outside the 14-day cooling off period, no refund will be issued regardless of whether a claim has been made on the policy or not.

Acromas has provided a copy of the breakdown report from the roadside assistance provider. The report says that Mr N's car's electric mirrors open when pressing a switch, but the driver's mirror did not close when pushing the switch back. The mirror could be folded manually. Mr N was advised by the operatives who responded to the incident to take his car to a garage.

From the evidence available I think that Acromas was acting within the terms and conditions of the policy when it said it wouldn't cover the claim. I say this because it seems Mr N's car was driveable and though I can appreciate he had to fold the wing mirror back manually, this didn't mean that he couldn't carry on with his journey safely. So, I don't think Mr N suffered a breakdown as defined under the policy because there was no sudden or unexpected event that prevented him from carrying on with his journey safely.

Mr N said that if Acromas wasn't going to pay his claim he wanted his cover to be cancelled and a refund issued to him. As I mentioned above the terms and conditions say that no refund will be provided if the policy is cancelled outside the cooling off period regardless of whether a claim was made. I wouldn't necessarily consider this to be fair particularly if no claim was made. However, I appreciate that the parts and garage cover is an optional extra/ an add-on policy and so it's not unusual for the premium not to be refundable under the terms of such policies. In order for us to be persuaded that no refund should be paid, we would normally require the insurer to show that it wouldn't be cost effective for it to issue a pro-rata refund due to the low cost of a particular policy. This is something for Acromas to consider if Mr N still wishes to cancel his policy. Having said this, I note that Mr N wanted to cancel his entire membership and not just this policy. His membership includes other policies which aren't all provided by Acromas so he'd have to liaise with the other insurers for those, or with his broker in relation to his overall membership.

I appreciate Mr N will be disappointed with my decision. I see that he feels really let down by Acromas and has said that this wasn't the first time he had a claim declined. What I will say is that insurance policies aren't designed to cover all eventualities and also that just because an insurer declines a particular claim this doesn't mean that the policy is of no use or that future claims won't be covered. In these particular circumstances I thought Acromas' actions were in line with the terms and conditions of the policy and it is for this reason I have decided not to uphold the complaint.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 20 January 2025.

Anastasia Serdari
Ombudsman