

The complaint

Mr S complains that Ageas Insurance Limited unfairly declined his claim on a van insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a van, first registered in 2015.

From at least mid-April 2019, Mr S had a van policy with Ageas.

Mr S acquired the van not later than early May 2019.

For the year from mid-April 2024, Mr S renewed the policy with Ageas. The policy covered him as the policyholder and his partner as a named driver. Any claim for damage was subject to an excess of £350.00.

Unfortunately, in mid-July 2024, Mr S reported that, while a specialist was working on part of the exhaust system, fire had damaged the van and the fire service had attended.

By late July 2024, Ageas had decided to decline Mr S's claim. Ageas treated Mr S as having made a complaint to Ageas.

Much of the complaint is about acts, omissions, and communications of claims-handlers, engineers and others on behalf of Ageas. Insofar as I hold it responsible for them, I may refer to them as acts, omissions, and communications of Ageas.

Mr S paid for a report from the fire service.

By a final response dated 1 August 2024, Ageas turned down the complaint. Ageas said that there were no signs of fire damage, and the policy didn't cover mechanical or electrical faults.

On about 4 September 2024, Mr S got the van back. He later complained that it had a flat tyre and no diesel.

Mr S obtained a mechanic's report on the cause and effects of the fire. He recommended that Mr S did not drive the van without repairs.

Mr S brought his complaint to us on about 6 September 2024.

Ageas agreed to consider the costs of fire damage, subject to the policy excess.

Our investigator recommended that the complaint should be upheld. She didn't think that Ageas had acted fairly. She recommended that Ageas should:

1. deal with Mr S's claim for fire damage in line with the remaining policy terms and conditions; and
2. reimburse the cost of the fire brigade report plus 8% interest per annum from the date it was paid to the date of settlement; and
3. reimburse the cost of his own garage report plus 8% interest per annum from the date it was paid to the date of settlement; and
4. reimburse or pay the cost of the flat tyre; and
5. pay Mr S £400.00 for the distress and inconvenience caused.

Ageas accepted the investigator's opinion.

Mr S disagreed with the investigator's opinion in part. He asked for an ombudsman to review the complaint. He says, in summary, that:

- £400.00 is very low considering the inconvenience, stress, and cost of the situation.
- He incurred ongoing costs for an undriveable van.
- The prolonged unavailability of the van has prevented him from earning an income.
- The condition of the van has deteriorated further, with mould developing on the seats and a brake warning light now showing (potentially due to seizing brakes).
- The lack of a functional van has significantly disrupted his family life. As he is unable to walk long distances due to ongoing knee issues following surgery, he has had to rely on his partner's car to attend necessary appointments. Consequently, she and their three young children have often been left without transportation.
- The mishandling of his claim has taken a severe toll on his mental health. The extended delays and lack of resolution caused overwhelming stress, contributing to his being temporarily sectioned under the Mental Health Act on 10 August 2024 and requiring crisis team support for some time.
- This experience has been deeply distressing for him and his family.

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 fire and the need to make a claim were, in my view, bound to cause Mr S some distress and inconvenience.

Ageas was obliged to deal with the claim promptly and fairly. I'm far from satisfied that Ageas did so. Ageas didn't accept the claim for fire damage, even after Mr S sent it the fire service report. I don't condone the final response from Ageas. And I've noted other shortcomings in its communication with Mr S.

Where the Financial Ombudsman Service upholds a complaint about an unfair act or omission, we assess compensation by reference to any resultant financial loss or non-

financial impact. We don't assess compensation at a level intended to punish or deter unfair acts or omissions.

Ageas proposed a payment in lieu of repairs. However, after the investigator's recommendation, Ageas accepted her recommendation. Mr S also accepted that recommendation, save in respect of monetary compensation.

Putting things right

As Mr S and Ageas each agrees, I find it fair and reasonable to direct it to deal with his claim for fire damage in line with the terms of the policy. Ageas hasn't updated us about the progress of the claim.

I expect the claim to result either in repairs or a payment to Mr S. Insofar as the claim results in a payment to Mr S, I take the view that Ageas should've made that payment within about a month of the fire, that is by about 15 August 2024. So I find it fair and reasonable to direct Ageas to add interest at our usual rate from that date.

As Mr S and Ageas each agrees, I also find it fair and reasonable to direct Ageas to reimburse Mr S for his costs of the fire service report and his garage's report and any cost of repair of the flat tyre.

I can see why Mr S regards his costs of insurance and road tax as wasted for the period after the fire. However, they were costs that he was already committed to. I don't consider that Ageas caused Mr S a financial loss of those costs.

Mr S hasn't provided enough details or evidence of costs of alternative travel including public transport. So I'm not persuaded that Ageas caused Mr S or his partner such costs.

Mr S has mentioned knee issues as well as poor mental health. I can see why he considers that Ageas caused his inability to work. However, Mr S hasn't given enough detail or evidence of his health or his earnings before and after the fire. So I'm not persuaded that Ageas caused Mr S a loss of earnings.

For those reasons, I don't find it fair and reasonable to direct Ageas to pay Mr S compensation for any costs or financial loss.

I don't doubt that – by its mishandling of his claim – Ageas caused Mr S and his partner extra distress and inconvenience at an already difficult time for them and their children.

The impact included the inconvenience of not having the use of the van. So Mr S and his partner had to share the use of their other vehicle. The impact also included the frustration of getting the van back in poor condition and then watching it deteriorate further.

The impact also included additional uncertainty and stress. However, there isn't enough medical evidence to show that Ageas caused or contributed to Mr S's mental health crisis.

Weighing up the mishandling of the claim and its impact on Mr S, I conclude that £400.00 is fair and reasonable and in line with our published guidelines for compensation for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Ageas Insurance Limited to:

1. deal with Mr S's claim for fire damage in line with the terms of the policy; and
2. reimburse Mr S:
 - 2.1 the cost of the fire service report; and
 - 2.2 the cost of his garage report; and
 - 2.3 any cost of repair of the flat tyre; and
3. pay Mr S simple interest at a yearly rate of 8%:
 - 3.1 on any amount it pays him under paragraph 1 above, from 15 August 2024 to the date of payment; and
 - 3.2 on the costs it reimburses under paragraph 2 above, from the date of each payment to the date of reimbursement; and
 - 3.3 If Ageas considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr S how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
4. pay Mr S £400.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 February 2025.

Christopher Gilbert

Ombudsman