

## **The complaint**

Mr M complains about Ageas Insurance Limited's ("Ageas") decision to decline his claim for damage caused to his car's engine by flood water, under his motor insurance policy.

## **What happened**

In February 2024 Mr M says his car developed a fault and stopped working. His car was recovered to a main dealer garage. Mr M says the garage concluded the car's engine had seized due to flood damage. He arranged for another main dealer to carry out a further diagnosis and it also concluded the engine seized due to flood damage. Mr M says Ageas's engineer was present at the second inspection. But he said it was hard to tell the cause without stripping the engine.

Mr M says he arranged for the engine to be stripped at another garage, which Ageas's engineer also attended. He says this garage found the same cause of the damage. But Ageas's engineer didn't agree with any of these opinions and the business declined to pay his claim.

In its final complaint response Ageas says Mr M told its engineer he'd driven through a puddle in September 2023. However, the car had since driven between 8,000 and 10,000 miles without incident until 8 February 2024 when the engine seized. During this time, it had passed an MOT and been serviced. Ageas says its engineer found no evidence to show that flood water had entered the engine. However, it says there was evidence of a failed head gasket, which allowed coolant to entering a cylinder. Ageas says this is the cause of the damage, which is mechanical failure, and not covered by its policy.

Mr M didn't think he'd been treated fairly and referred the matter to our service. Our investigator didn't uphold his complaint. She was more persuaded by Ageas's engineer's report that the damage had resulted from mechanical failure.

Mr M didn't accept our investigator's findings and referred the matter to our service.

It has been 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.

Having done so I'm not upholding Mr M's complaint. I'm sorry to disappoint him but I'll explain why I think my decision is fair.

It's for the policyholder to show that they've suffered an insured loss. If they can then generally speaking, the insurer should pay the claim. This is unless it can reasonably rely on a policy exclusion not to.

Mr M says his car engine seized as a result of flood damage – meaning water got into his

car's engine. From what he told Ageas's engineer this could've happened when he drove through a puddle in September 2023. This was around five months prior to the engine seizing. I've read the information Mr M provided from the garages he visited. As well as the report provided by Ageas to understand more about what happened here.

The first main dealer garage provided an invoice with some commentary. It says, *"removed injector and found to be heavily corroded, suspect water ingress into engine, require much further mechanical checks and cylinder head removal to help with diagnosis"*.

The second main dealer garage Mr M took his car to says, *"Vehicle not starting checked and confirmed vehicle engine water damage cylinder bore 1 found to have water on top of post cylinder bores of all cylinders look to have water damage"*.

The third garage Mr M took his car to isn't a main dealer. It sent Mr M an email that says, *"the root cause of your original engine failure was flood/water damage. Our findings are consistent with what [first main dealer] diagnosed. I appreciate that why [sic] it may not be common that a car is able to drive after flood damage initially it is apparent that it is not impossible as your insurance engineer suggested"*.

I've read the expert witness report Ageas provided. In his report the engineer acknowledges that his duty is to the court. He accepts that his report can be used in evidence, and that proceedings for contempt of court can be brought against him for any false statements.

The report says that at the second inspection, when the engineer was present, an injector showed signs of corrosion. This wasn't thought to be due to water but there was an oil-based substance around it. The engineer says a technician specialist at the garage agreed. The engineer says the air filter housing and filter showed no signs of water or any previous signs of water ingress. He says the housing was dusty, with a small feather and some leaves in the filter. There are photos provided with the report that support this.

In his report the engineer says after this inspection he found no evidence of flood damage to the engine. He suspected the damage was due to mechanical failure.

The engineer also commented on the inspection at the non-main dealer garage. The engine had been stripped down at this time. The engineer says the head gasket had a water gap going into the first cylinder. He says this looked to be the cause of water entering the engine.

I can see from the photos that the engineer has circled the area where he says water has breached the head gasket to penetrate cylinder one. In his report the engineer says that if a vehicle suffers from flood damage, it causes it to stop straight away. He says damage is caused when water enters through the air filter and into the engine. The engineer concludes his report to say the only sign of water getting into the engine is where the head gasket has leaked. He says coolant water has leaked into the cylinder causing the damage. But he confirms this is mechanical failure and not something covered under Mr M's policy.

Having considered all of this I'm more persuaded by the expert witness report. In the event that water entered through the air filter the engineer says this will cause the vehicle to stop straight away. This didn't happen when Mr M says he drove through a puddle in September 2023. The car has covered in excess of 8,000 miles since this time. There are no signs that any water entered through the air filter to cause this. The photos show no staining and the filter and housing look dry and dusty as described. Based on this evidence I don't think it's been shown that Mr M's engine was damaged by flood water.

The first main dealer garage says water ingress into the engine is suspected. It doesn't say this was flood water. The comments from the second main dealer garage support Ageas's

view that water has entered the engine through a failed head gasket. The third garage concludes flood damage is the cause of the damage. But it doesn't explain why this was thought to be the case or why this is more likely than it being a head gasket failure. The garage concludes that although it's not common for a car to be driveable after flood damage, this isn't impossible. But again, it doesn't provide any further information or explanation to qualify its comments.

Based on this evidence I don't think Mr M has shown that he suffered an insured loss. I've read his policy terms, which exclude mechanical breakdowns. I think Ageas has reasonably shown that the damage to Mr M's engine is the result of coolant penetrating the head gasket and into the engine cylinders.

I'm sorry Mr M's car has a damaged engine, which isn't covered under his motor insurance policy. But I don't think Ageas has behaved unfairly when relying on the policy exclusion it has to decline his claim. So, I can't reasonably ask it to do anymore.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 February 2025.

Mike Waldron  
**Ombudsman**