

The complaint

Ms G complains that Fortegra Europe Insurance Company Ltd unfairly declined part of a claim she made on her alloy wheel insurance policy.

Reference to Fortegra includes its agents.

What happened

Ms G holds an alloy wheels insurance policy with Fortegra. When her wheels were damaged, she made a claim.

Fortegra accepted her claim for two of the four wheels claimed for but declined a claim for the other two. It said they were corroded and that this wasn't covered by the policy.

Ms G wasn't happy with this, she's said the two offside wheels Fortegra declined to repair had (and have) no corrosion on them. She said the two wheels with corrosion on are the nearside wheels which were repaired by Fortegra on a previous claim. She's said she's been told this previous repair wasn't the right type of repair for her wheel, and that it's that repair that's caused the corrosion.

Fortegra said its previous repair was under warranty for 12 months, and because Ms G's claim is outside that period, it's not covered by that warranty. It again pointed to corrosion not being covered by the policy.

Ultimately one of our Investigators didn't think the complaint should be upheld. They thought Fortegra were acting fairly when declining Ms G's claim for the two corroded wheels.

Ms G didn't agree and asked for an Ombudsman's decision.

I issued a provisional decision saying I was thinking of upholding the case. It said:

"There appears to be some confusion as to which wheels are affected by corrosion. The offside wheels look to have been declined for corrosion, but Ms G says there's no corrosion on these. She says the only corrosion is on the two previously repaired nearside wheels.

What is clear though is that only two wheels are showing signs of corrosion and so Ms G's claim for two wheels should be covered. Ms G says two wheels aren't corroded, and Fortegra accepted a claim for two wheels. Ms G's policy provides cover for either a repair, or a contribution to a replacement – therefore that's what Fortegra should put in place for these two wheels.

The other two wheels remain in contention. I think based on what I've been provided, these are most likely the nearside wheels. Fortegra says the policy excludes damage caused by corrosion, and looking at the policy, that's true. It says Ms G isn't covered for "Any damage to an Alloy Wheel showing evidence of rust or corrosion or any defect which is not deemed to be caused by Accidental or Malicious Damage."

If the corrosion is on the previously unrepaired wheels, then I think it's clear the damage isn't

covered. But Ms G says the corrosion is on the nearside, previously repaired wheels. Ms G argues that the previous smart repair is the cause of the corrosion and points to the fact that the repaired wheels are affected, whereas the unrepaired wheels are not. I don't agree with Ms G here, simply because the repaired wheels are the ones showing corrosion after a repair, isn't in itself evidence that the repair is the cause. It may well be, but there may well be several different reasons why those wheels are showing corrosion.

Ms G thinks the previous repair was unsuitable, but Fortegra says a smart repair can be carried out on diamond cut wheels like Ms G's. From what I've seen, Fortegra is correct. There's nothing to show that in principle a smart repair can't be carried out on diamond cut wheels.

That said that repair needs to be carried out correctly, if it wasn't then it may well be the cause of the corrosion on the wheels. Ms G said she was told this was the case by a number of people. But I've not seen anything conclusive to support this.

Fortegra says the previous repair is only under warranty for 12 months and the first it heard of corrosion was after this time. But I think this only fairly applies if the repair it carried out was suitable and carried out correctly. If it wasn't, and that is the cause of the corrosion, then

I don't find it fair for Fortegra to say the claim isn't covered by either the policy or the previous repairs' warranty.

The issue is, at this point, I've not been provided enough evidence to show the cause of the corrosion. Ms G has said the wheels are there for inspections still, and so at this stage, I think assessing the wheels is the most sensible way forward.

So, to put things right Fortegra should arrange and pay for an independent engineer to assess the wheels, assess whether they are corroded and if they are, make a finding on the most likely cause of that corrosion and whether it is linked to the previous repair.

If that report finds the corrosion is unrelated to the previous repair, then the repair to those two wheels isn't covered by the policy. But if the corrosion is linked to the previous repair, Fortegra should arrange for the damage to be rectified in line with the policy terms. That is, repair, or if this isn't possible (which should include any repair which would change the look of the wheels significantly) it should pay a contribution to have the wheel(s) replaced."

Ms G responded with further evidence which she felt supported the poor repair being responsible for the corrosion on her wheels.

Fortegra responded offering a different outcome. It said it broadly agreed with the findings of my provisional decision but didn't think it needed to send an independent engineer to assess the wheels. It accepted there was evidence the previous repair caused corrosion and offered a settlement of repairing all the alloy wheels using a diamond cut repair.

This proposal was put to Ms G, who agreed to it in order to bring the matter to a close.

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.

Because both parties have agreed to a settlement, I see no reason to change the findings of my provisional decision in terms of its reasoning.

But the outcome Fortegra needs to carry out has changed. As it's offered to, and Ms G has accepted. It should arrange for the repair of all four wheels.

My final decision

For the reasons set out above, I uphold this complaint. To put things right Fortegra Europe Insurance Company Ltd needs to:

- Arrange for a diamond cut repair to be carried out on all four of Ms G's wheels.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 23 April 2025.

Joe Thornley
Ombudsman