

## **The complaint**

Mrs H has complained about the way Ageas Insurance Limited handled her claim under her motor policy which in turn raised her premium.

## **What happened**

Mrs H said her car was damaged when she hit a pothole. When she realised the costs of repairing the damage, she then made a claim to Ageas. On the basis of the market value of her car, Ageas said it would be uneconomical to repair her car.

Then Ageas offered her the market value of £2,500 or it would pay her £1,675 if she decided to keep her car. Mrs H decided to keep her car. However, Ageas had its engineer inspect Mrs H's car and he decided the damage happened due to wear and tear issues and consequently it wouldn't pay her £1,675. Mrs H then had to pay the costs of the repair herself which amounted to £1,563.03. She didn't think this was right as her car had passed its MOT only weeks beforehand, so she complained to Ageas.

In the meantime, her car was involved in another accident, so she had to make another claim to Ageas, which is being dealt with separately and does not form part of this decision. However, Mrs H has now found she has two claims on her insurance record which has increased her premium.

Ageas didn't think it had done anything wrong, so Mrs H brought her complaint to us. The investigator also thought Ageas hadn't done anything wrong. However, Mrs H remained unhappy, so her complaint 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 this complaint. I do understand and appreciate that Mrs H will be very disappointed with my decision, so I'll now explain why.

First, I do understand Mrs H's frustration, but as the investigator explained I need to consider if Ageas did anything wrong having regard to the terms and conditions of the policy plus the general regulations concerning claims, written off vehicles and Ageas' duties to ensuring the matter is recorded correctly.

As Ageas made the decision that it wasn't economical to repair Mrs H's car given the cost of the repairs and the market value of her car, when she decided to keep her car then Ageas was under a duty, due to the regulations, to examine her car in order to allow her to keep it. This is to protect Mrs H, as much as anything else, given the possible safety issues as her car was badly damaged. So, I don't consider Ageas did anything wrong in examining Mrs H's car.

Ageas' engineer decided the damage occurred due to the fact Mrs H's car was old so had wear and tear issues. Wear and tear issues are specifically excluded under the policy terms, as the policy says the following under 'What your policy doesn't cover':

*'We won't pay for general wear and tear to your car, or any damage that happens gradually.'*

So, this meant Ageas felt it was the wear and tear issues which caused the extent of the damage, not necessarily the shock of the pothole. This meant Ageas then wouldn't pay Mrs H the £1,675, it said it would pay her, if she wanted to retain her car, meaning in other words her claim wasn't paid. This was despite the fact the car passed its MOT a few weeks previously.

This service doesn't provide any motor mechanic expertise, we merely assess the evidence either of the parties send into us. So, without any further evidence from Mrs H which showed this engineer's evidence was wrong, there is nothing to show me this engineer didn't come to the right conclusions. I'm afraid an MOT pass doesn't mean the car was examined for the wear and tear issues Ageas' engineer said he found. What Ageas' engineer was concluding is that the damage caused was more likely from the wear and tear issues than the jolt of the pothole. A car, which is older and has some wear and tear issues can still pass an MOT, too. So, I don't consider this undermines the MOT as Mrs H believes.

Consequently, as Mrs H made a claim to Ageas which wasn't accepted, that claim must be logged under her insurance record as 'notification only.' Insurers can always take all claims into account when deciding on the premium to be paid, even those that didn't go through as this one didn't for Mrs H. It can't be cancelled as Mrs H wants, as quite simply the regulations don't permit that to happen. It remains a fact that Mrs H did make a claim which Ageas declined to pay.

The regulations for insurers allow them to decide for themselves which risks they want to cover and which they don't. This is part of their commercial discretion and is allowed by the regulator, the Financial Conduct Authority. Each insurer rates things differently, but each insurer will rate such things according to their own internal underwriting guide which is also commercially sensitive so I can't share this with Mrs H. The regulations require this, to show that no consumer is singled out and treated differently to any other consumer in similar circumstances. Ageas has shown us that its premium amount that it asked Mrs H to pay when her policy renewed was calculated correctly and in line with its underwriting guide. This means Mrs H wasn't treated any differently than any other customer of Ageas in similar circumstances. So, in turn the fact that Mrs H's premium increased doesn't mean Ageas was specifically unfair to Mrs H. It would have increased the premium for any other customer who

also didn't claim successfully like Mrs H.

### **My final decision**

So, for these reasons it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 7 May 2025.

Rona Doyle  
**Ombudsman**