

The complaint

Mr M complains about the way Acromas Insurance Company Limited (“Acromas”) handled a claim under his car warranty policy.

What happened

Mr M had a policy with Acromas covering his car for mechanical breakdown.

In early October 2024 he noticed that there were noises coming from the wheels of his car. He reported it to Acromas. It arranged for a mobile patrol to attend, who said they thought the noise was coming from a wheel bearing. Mr M also mentioned smoke was coming from the exhaust.

The car was taken to a repairer which assessed the turbo was at fault. Acromas paid up to the claim limit of £535 (less the excess of £35) towards the repair cost. Mr M paid about £1,200 in addition to this. The repairer didn’t think there was a problem with the wheel bearings.

In November, he noticed the smoke problem had returned and he took the car back to the same garage. The garage said it thought there were issues with the injectors and sensors, which had likely been uncovered by the turbo replacement. Mr M complained about this to Acromas.

Acromas said the issue of possible misdiagnosis was a matter for Mr M to take up with the garage. It also said he’d reached the claim limit, so even if the other issues had been diagnosed earlier, Mr M would still have had to pay for the rectification work doing. It also said Mr M hadn’t followed the claims procedure because he’d not called Acromas for one of its mobile patrols to attend before taking his car back to the repairer.

Mr M complained about the handling of his claim. Acromas maintained its rejection of his complaint, so Mr M brought his complaint to this service. Acromas then offered Mr M £75 compensation because it thought it shouldn’t have rejected the second part of his claim only because Mr M hadn’t called out its mobile patrol. It also said it would reconsider the second part of his claim, subject to the remaining terms of his policy. He also complains that the invoice he was supplied by the repairer states that his car was petrol, when it was actually diesel.

Our investigator looked into his complaint and thought Acromas’ offer to re-examine his claim was fair, and so was its offer of £75 compensation

Mr M didn’t agree with the view. He said Acromas’s decision had meant he wasn’t able to work for four months due to the impact on his mental health.

Because he didn’t agree, this complaint has been passed to me to make a final decision.

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.

It's important that I start by saying I can only consider those parts of his complaint he's made to Acromas, and for which it's given him its final response. What this means is that although Mr M has said he hasn't been able to work because of the problems with his car, and it's had a significant impact on his mental health, I can't see that he's made this point to Acromas. So I'm not able to consider it further here. Mr M can make a further complaint to Acromas if he wishes, and that complaint may reach this service in due course if he remains unhappy.

Having read the file of evidence, I'm upholding Mr M's complaint, but only in the respect that I think Acromas' offer to reconsider his claim and pay him £75 compensation is fair in the circumstances. I'll explain why I've decided this, as I appreciate this will be a disappointment to him.

I've looked at what happened when Mr M reported his claim. I can see he reported the noises he thought were being made from the wheel area, along with smoke and smells apparently from the exhaust. Acromas sent a mobile patrol who thought it was related to the wheel, but when his car was taken to a repairer, it diagnosed the turbo was faulty.

Acromas has said that the work to replace the turbo was done, and his car was test-driven afterwards. About a month later, Mr M realised there was a fault light showing on his dashboard and smoke from his exhaust. He contacted the repairer and took his car directly back to it. Mr M has said he thinks the repairer misdiagnosed the fault, which is why he complained to Acromas.

The policy wording says:

"3. Claims / Repair authorisation

c) Any repairer appointed whether direct by You or on Your behalf will carry out repair work to Your instruction and the contract for repair will be between You and the relevant repairer."

What this would seem to mean is that it's Mr M's contract with the repairer for the entire repairs, and it would suggest Acromas doesn't accept responsibility for the quality of the work done by it.

In taking his car directly back to the repairer, Acromas said Mr M hadn't complied with the terms of his policy which says:

"General Exclusions

(This policy will not cover):

Any costs for repairs following a Mechanical or Electrical Failure if:

e. You referred the failure to a garage before You called for assistance under your membership"

I've thought carefully about both of these points, and Acromas' offer to reconsider Mr M's claim. I think it's fair I say that I don't think its decision to reject Mr M's second claim was fair, because he'd not contacted Acromas and asked it for help first. He'd apparently contacted the repairer, which had agreed he could take the car back to it, and I think that's reasonable. I can see Acromas has agreed with this point.

And it's also said it would consider Mr M's second claim under the remaining terms of its policy. What this would seem to mean is that Mr M can now make a claim, and potentially it can be covered under his policy up to the limit as a new claim. I think this is a fair response.

Mr M also talked about his disappointment with his car being shown as a petrol model, rather than diesel. While I agree with him that this isn't very good service by the repairer, I'm not persuaded it's a significant detriment to his claims experience.

I've also thought about Mr M's distress and inconvenience. I've said above that I'm not able to consider a major part of Mr M's complaint here. But, having thought about the impact of its decision to reject his claim because he didn't contact it first, and considered this service's guidelines on compensation, I think Acromas' offer of £75 compensation is fair.

My final decision

For the reasons set out above, I'm upholding Mr M's complaint. I direct Acromas Insurance Company Limited to:

- Reconsider Mr M's claim on the remaining policy terms.
- Pay Mr M £75 compensation for his distress and inconvenience.

Acromas Insurance Company Limited must pay the amount within 28 days of the date on which we tell it Mr M accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 June 2025.

Richard Sowden
Ombudsman