

The complaint

Mrs B and Mr M complain that Ageas Insurance Limited declined their claim made on their motor insurance policy. Mr M is a named driver on Mrs B's policy.

What happened

Mr M was driving the car when warning lights came on and he saw smoke and flames coming from the bonnet. The fire brigade attended and found oil on the tray under the engine. Mrs B made a claim to Ageas, and it agreed to collect the car for assessment. It took two days to collect the car. An engineer then assessed the car and about two weeks later Ageas told Mrs B that the claim was declined due to mechanical failure. Mrs B thought Ageas' agent had been unhelpful. The car hasn't been repaired.

Our Investigator recommended that the complaint should be upheld in part. She saw that Ageas' engineer didn't find evidence of a fire. He said there had been catastrophic engine failure. Mr M thought the engineer had said he hadn't been told there had been a fire. But she thought this didn't make a difference to the outcome as he had assessed the car and said the cause wasn't fire. So she thought Ageas had fairly declined the claim as mechanical failure was excluded from cover by the policy's terms and conditions.

But she thought Ageas should ask the engineer if any of the damage would be covered. She also thought Ageas' agent had lacked empathy and hadn't provided support at a difficult time for Mrs B. And she thought Ageas should pay Mrs B £100 compensation for this.

Mr M replied that he had seen the car engine with a fire and flames. Mrs B said they had asked for a report from the fire service that had attended their car. Mrs B asked for an Ombudsman's review, so her complaint has come to me for 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.

I can understand that Mrs B and Mr M feel frustrated that their claim was declined by Ageas. Mrs B has explained that she incurred hire charges and then had to buy a replacement car following the incident. And now they have lost the value of their car. I was sorry to hear this.

Mrs B asked for us to await the report she has requested from the fire service. But it has now been a month since their request was made, and we haven't yet received a report. So I think it's unfair to hold up the complaint any further as it's been a year since the incident.

Mrs B and Mr M have also complained about the actions of other businesses in dealing with this matter. But, because they are separate businesses, I can only consider here their complaint that Ageas declined their claim.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably. Ageas relied on a policy exclusion to decline the claim. This is stated on page 21 of the policy booklet under what is not covered:

“Loss or damage caused by any mechanical, electrical, electronic computer or computer software failures, breakdowns, faults or breakages.”

I think this is a common exclusion in motor insurance policies, and I do not find it unusual or unreasonable. And I think it was sufficiently brought to Mrs B’s attention in the policy documents for Ageas to rely on it.

We’re not engineers. We don’t assess whether or how damage to a vehicle would be caused as this is a matter for the experts in these situations, the insurance companies and engineers. Our role in these complaints is to determine whether an insurance company has considered all the available evidence and whether it can justify its decision to not pay for repairs.

I can see that Ageas relied on the garage’s engineer’s report and its own in-house engineer’s review to decide that the damage had been caused not by fire but by mechanical failure.

Ageas asked the engineer whether the mechanical failure caused the fire, or the fire caused the mechanical failure. And the engineer said there was no evidence of fire and that the hot oil would have been the most likely cause of the smoke. He attributed this to mechanical failure. I haven’t seen that Ageas has been provided with any other expert engineering evidence to consider. So I think it has justified its decision to decline the claim.

Mr M said the engineer told him in a phone call that he wasn’t made aware of a fire. Ageas wasn’t able to locate this call, though it did provide evidence to show that the engineer had tried to contact Mr M. But the engineer’s assessment report states:

“ND driving home from work, exiting motorway onto slip road, the engine started smoking, flames started in the engine bay. Once the fire service arrived the flames had gone out.”

So I don’t agree that the engineer wasn’t made aware Mr M had reported a fire. And Ageas’ call handler later told Mrs B that it would ask the engineer what damage had been caused by the flames Mr M had reported. So I think Ageas reasonably considered this and I think it should follow up its offer.

When Ageas’ call handler told Mrs B that the claim wouldn’t be covered, Mrs B wanted to know how to proceed. But the call handler didn’t provide any advice or support at that time. I can understand that Mrs B felt helpless and upset. Our Investigator recommended that Ageas should pay Mrs B £100 compensation for this upset. I think that’s fair and reasonable as it’s in keeping with our published guidance where an error has caused avoidable upset.

Putting things right

I require Ageas Insurance Limited to do the following:

1. Check with its engineer if the damage to the car caused by flames is covered by the policy’s terms and conditions.
2. Pay Mrs B £100 compensation for the distress and inconvenience caused by its level of service.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require Ageas Insurance Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr M to accept or reject my decision before 9 June 2025.

Phillip Berechree
Ombudsman