

The complaint

Mr N complains that MS Amlin Insurance SE (Amlin) declined his claim for damage to his tractor.

What happened

Mr N had a policy with Amlin to cover his tractor which was used for farming.

In July 2023 he made a claim when the back rear axle housing fractured when he was harvesting.

Amlin arranged for the tractor to be examined by their assessors.

The claim was subsequently declined as Amlin said there was no sign of impact, and the damage was due to mechanical failure.

Mr N disputed this decision and provided further evidence, but the claim remained declined, so Mr N brought his complaint to us. Amlin did award £250 for service failings in their December 2023 response.

One of our investigators has looked into Mr N's complaint and he thought that Amlin had acted fairly and within the terms of the policy.

Mr N disagreed with our investigator's view, and so the case came to me to review.

I issued a provisional decision on the complaint. My provisional findings were as follows:

I'm not an expert in tractors, and so I am reliant on the reports provided by experts on both sides when considering this complaint. My role is to consider whether, in the light of the evidence before me, Amlin have made a fair and reasonable decision when declining Mr N's claim.

Having considered it all, I'm proposing to uphold this complaint and I'll explain why.

The policy booklet outlines the relevant cover provided as:

"We will insure you for loss of or damage to the insured vehicle and its accessories trailer and implement up to it's market value at the time of the loss or damage caused by:

a) Accidental damage"

The exclusions say that:

We will not be liable in respect of:

- i) *Loss of use, wear and tear, depreciation, mechanical, electrical, electronic or computer breakdown, failure or breakages or damage to types unless resulting from an accident involving the insured vehicle trailer or implement.*

Accidental damage isn't defined in the policy but the general definition in insurance is

“physical damage that happens unexpectedly, unintentionally, and is not the result of a deliberate act or normal wear and tear.”

Mr N has reported in his original claim that when the incident occurred, he was pulling an eight ton trailer with a load of grain at approximately 8-10 mph and he hit an uneven patch of ground causing the tractor to bounce violently, the tractor stopped and the left-hand side rear axle cover was damaged as well as the gears inside.

As this claim relates to physical damage which happened suddenly and unexpectedly, and wasn't the fault of Mr N or anyone else, I'm satisfied that on the face of it, it is accidental damage.

However, Amlin have argued that it is excluded under the policy because the damage has actually been caused by mechanical failure.

Amlin's appointed expert assessed the tractor in August 2023, and their report said that:

- There were no signs of external impact damage to the tractor
- One of the bearings has failed on the internal gears of the rear axle, which has locked the n/s/r wheel causing the damage to the internal axle components and also causing damage to the rear axle casing
- This would constitute as a mechanical failure – which is an excluded cause of loss under the policy

Mr N didn't agree and sent in a report from a local farm machinery firm which said that although they couldn't rule out mechanical failure, in his opinion the failure of the left-hand rear half shift housing could be caused by excessive force or shock such as hitting a large rut at reasonable speed.

Amlin responded that mechanical damage could take place at any time especially when moving parts are involved. They said that

“Mechanical damage can be sudden, not planned or intended, that may cause damage and may not be patently obvious prior to the event. I would not see how a rear housing could explode causing the damage to the housing if the bearings had not failed locking the gears with regards to the characteristics of the machine bearings are moving parts which can fail at any time I would see that this is mechanical failure on the machine.

In April 2024 Mr N, through his broker, had the tractor examined and a further report prepared by an agricultural engineer.

This report explains that the cast iron housings have little tensile strength and the unsprung axle relies on the flexing of the block tyres to absorb any vertical and lateral forces, but that the conditions of the ground had been more than the tyres could tolerate, and the beam structure has failed and cracked as a result.

The engineer felt that this had resulted from a single overload event caused by a shock loading.

Having considered the circumstances described by Mr N - that there were no issues with the tractor prior to this, no noises or warning, and taking into account the Mr N's account of the violent bouncing of the tractor immediately prior to the damage, I'm satisfied that the agricultural engineer's explanation of how the damage occurred is more likely. The casing is a rigid structure, and it is likely that a sudden jolt on unexpectedly uneven terrain could cause fracture of such a rigid structure.

On examination of the photographs there is no wear and tear of the bearings and gears – which seemed to be in excellent condition, and I have seen no explanation of why, given their condition, they would suddenly jam and fracture. It seems more likely that it would be as the result of sudden downward impact of the wheel as described by Mr N's engineer. In their response to this report, Amlin have suggested that in addition to the issue of mechanical failure, the report suggests that Mr N was not driving at a reasonable speed if the tractor lifted off the floor and so may fall foul of the general exclusion which says that there is no cover for

“loss or damage where you do not take reasonable precautions to protect the insured vehicle”

I don't think this is a fair assumption. There is no evidence that Mr N was driving at an inappropriate speed, nor in a manner that would cause damage to the tractor. His evidence is that he was driving at 8 – 10mph in the normal pursuit of his business as a farmer harvesting crops. As he was pulling a heavy load, I think it is unlikely he was exceeding this speed.

It is also reasonable that he didn't see how uneven the ground was before he encountered it given that he was busy and high up in his cabin.

And so, on balance, I'm satisfied that Mr N has shown that accidental damage was caused to his tractor in line with the policy terms.

Since the accident, Mr N has had to pay for recovery of the tractor, and he has also had repairs completed using second hand parts, as he was unable to fund it using new parts. He has provided me with an invoice for this, which we can send to Amlin. However, I'm mindful that if the claim had been paid from the outset, new parts would have been used, and so I propose to direct that these parts are replaced.

Mr N has also described the impact that this has had on him personally, and on his ability to undertake farming duties. I'm sorry to hear that he has a difficult time, so I've taken this into account in the resolution I have proposed below.

Unfortunately, I can't see that vehicle recovery is covered under the policy terms, so I'm not able to award Mr N reimbursement for the costs of recovering the tractor from the field.

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.

Both Mr N and Amlin have responded.

Amlin don't agree with my outcome, and Mr N has agreed, but asked me to consider additional losses.

Amlin have said that I have relied on an opinion which is not definitive, that there is no evidence of the rut, and they find it surprising that the tractor would have bounced sufficiently at the correct speed to cause the damage sustained.

Neither of the opinions given by either Amlin's or Mr N's expert can be definitive, they are opinions, and I have to decide which one, on the balance of probabilities is more likely. I have explained my reasons for preferring the opinion of the agricultural engineer in my provisional decision and Amlin haven't provided anything further which has caused me to revise that view.

Mr N has asked me to consider additional losses. For the reasons I've given above, I am not directing that Amlin cover the work undertaken to recover the tractor from the field as there is no recovery under the policy. I'm also not directing Amlin to cover the additional expenses incurred by the repairer in travelling to get parts. Amlin will only cover the original invoice for repairs.

Mr N has also said that his tractor was left outside for some months deteriorating and would have liked to see higher compensation. I am satisfied that the compensation I have awarded is fair and in line with our guidelines for awards for distress and inconvenience. I'm also mindful that Mr N is required to mitigate his losses, and if the tractor was exposed, he should have taken measures to protect it during that period.

So, for the reasons I have already stated, I'm upholding Mr N's complaint and directing the resolution below.

Putting things right

In order to put things right I think that Amlin should:

Reinstate Mr N's claim and upon receipt of invoices:

- Reimburse Mr N for the repair he had completed using second hand parts, plus 8% interest from the date the invoice was paid until the date it is settled
- Pay for additional work to be completed on the tractor to replace any second hand parts used in the initial repair with new parts.
- Reimburse Mr N the agricultural engineers fee for the report he had completed, plus 8% interest from the date the invoice was paid until the date it is settled
- Pay Mr N an additional £500 for the distress and inconvenience he has experienced – in addition to the £250 already offered by Amlin.

My final decision

My decision is that I'm upholding Mr N's complaint about MS Amlin Insurance SE and directing them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 13 August 2025.

Joanne Ward
Ombudsman