

## **The complaint**

Miss B and Miss N complain about a claim being declined by Acromas Insurance Company Limited on their parts and garage policy.

Throughout the claim and complaint process, Miss B and Miss N have had a representative helping them. In this decision, any reference to Miss B and Miss N includes the actions and comments of their representative.

## **What happened**

Miss B and Miss N had a parts and garage policy with Acromas. The policy started in early July 2025. In late July 2025, Miss B and Miss N contacted Acromas to raise a claim. They'd noticed liquid leaking from the car which they thought was coolant. Acromas advised Miss B and Miss N to top the car up with coolant and take it to a garage for diagnostics. It was confirmed the leak was caused due to a fault with the oil cooler and an independent inspection was arranged. Acromas eventually declined the claim as they felt the fault existed prior to the purchase of the policy. They also said repairs had been completed before the claim had been accepted. Miss B and Miss N were unhappy and raised a complaint. Acromas didn't think they'd done anything wrong. So, Miss B and Miss N brought the complaint to this service.

Our investigator upheld the complaint. They didn't think Acromas had unfairly declined the claim. However, they felt the claim could have been handled better. They thought Acromas should pay Miss B and Miss N £100 compensation for the trouble and upset caused. Acromas accepted the outcome but Miss B and Miss N appealed. They thought the claim was being declined based on the opinion of Acromas' own engineers. They also felt had an engineer attended when the claim was first raised, a full inspection could have taken place. As no agreement could be reached, the 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.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it. So, I've thought about whether Acromas acted in line with these requirements when it declined Miss B and Miss N's claim.

At the outset I acknowledge that I've summarised their complaint in far less detail than Miss B and Miss N have, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't

because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

As a starting point, it's important to understand what the policy terms and conditions say. The policy sets out the following:

*"The insurer will pay up to £535 per Paid Claim towards the costs of repair or replacement to insured parts, labour and VAT following a Breakdown which occurs during the Period of Insurance."*

Breakdown is defined as:

*"A sudden or unexpected event involving the Nominated Vehicle:*

- a) As a result of Mechanical or Electrical Failure; and*
- b) Which has been attended by the AA under Your AA membership; and*
- c) That has prevented the Nominated Vehicle from starting or continuing its journey safely; and*
- d) That requires the repair or replacement of insured part(s) to enable the journey to be resumed or, when At Home cover is held under Your AA membership, commenced.*

Mechanical or Electrical failure is defined as:

*"The sudden and unforeseen breaking or burning out (electrical) of any insured part(s)."*

The policy provides a list of parts that are and aren't covered. There's no dispute that the part in question isn't covered by the policy.

The policy also provides a list of general exclusions:

*"1. Any costs for repairs following a Mechanical or Electrical Failure if:*

*a. The faults existed prior to the purchase of this cover; or...*

*e. Repairs for the Mechanical or Electrical failure started before Your claim has been accepted and the AA has issued an authorisation number to the repairer...*

*8. Any cost of Mechanical or Electrical Failure caused by accidental damage, frost, freezing, blockage, water penetration, road traffic accidents, theft or vandalism."*

Due to the claim being raised shortly after the policy started, an independent inspection was arranged. The findings of the report were as follows:

*"In our opinion, we can confirm evidence of oil staining to the oil cooler, which we would consider this has been caused by an external leak by potentially defective seals but further investigation would be required. The cause has to be considered provisional as the physical examination was not possible in the failed area.*

*At this stage we would consider the faults were in development at the time of policy inception and also consider it to have been caused due to wear and deterioration at the vehicle's age and mileage as provided on the instruction details."*

Miss B and Miss N have also provided a report from their garage. This sets out the following:

*"After carefully diagnosing the fault, we could see the oil cooler housing at the rear where it attaches onto the engine had a leak. This is a common fault on [manufacturer] of this age*

*group due to issues with the factory installed oil filter housing and the seals which lead to leaks being noticed. Other potential problems include the oil cooler itself failing due to corrosion, damage or blockages which can cause overheating and even mixing of oil and coolant. On this instance leaks around the oil cooler near the rear of the engine was the sign of the failing gasket and housing which caused a water leak and not a mix of oil and water. No oil leak detected. This is a sudden failure as suppose to a gradual breakdown of the component.”*

Acromas' in house engineer has also provided the following information:

*“Viewing the photos taken by [independent inspectors] during the inspection we can clearly see where oil has been leaking onto the cooler for a long and sustained period.*

*The highlighted section on the photo below shows the extent of the leak. This clearly shows emulsified oil as you can see from the lumpy, grainy texture....*

*Oil leaks by this nature are slow and progressive, this is not a sudden leak, there are no cracks or damage in the cooler or housing and the member had not reported to us that the vehicle was leaking oil onto the drive. With leaks of this type, the oil seals perish and degrade due to their constant contact with oil, they first start to sweat, then will drip very slowly, and eventually this drip worsens, and the seal perishes more and more. You can see the perished seals on the oil cooler on the photos below provided by [independent inspectors].*

*It would not be possible for there to be no leak on 21<sup>st</sup> July 2024 (the last day of the 14 day exclusion period) and the oil cooler and seals to be in the state shown on the 23 July 2024 (1<sup>st</sup> day of risk). This oil leak was present on the vehicle prior to the policy inception and within the first 14 days of cover.”*

It's not my role to assess the claim, it's to decide whether Acromas have acted fairly in declining the claim. As a service, we're not mechanical experts, we rely on the evidence provided by both parties to decide what's fair and reasonable in the circumstances.

Based on the evidence set out above, I don't think Acromas have acted unfairly in declining the claim. I don't think it's unreasonable for them to have relied on the pre-existing exclusion to decline the claim. I appreciate this will be disappointing to Miss B and Miss N.

Miss B and Miss N believe the claim would have been accepted had a breakdown patrol attended their car and inspected it after reporting the issue. The patrol not attending isn't something I can consider in this complaint as this is part of a different agreement Miss B and Miss N have with a different company.

Miss B and Miss N don't believe there was an oil leak, but this isn't what the independent engineer has said in their report. There is also evidence of oil on the part. Miss B and Miss N have also said they don't believe the correct part was given to the independent engineer to inspect and it was left in a pile of other parts covered in oil. Miss B and Miss N's garage gave the part to the independent engineer and said it was the correct one. Should Miss B and Miss N believe the wrong part was given to the engineer, they would need to raise this with their garage. The part had both fresh and emulsified oil on it, suggesting an oil leak over a long period of time. Whilst I accept the fresh oil could have been from other parts, this isn't something Acromas would be responsible for and Miss B and Miss N would need to raise this issue with their garage. I've also not seen any explanation about why there would be emulsified oil on the part other than due to a long running leak.

Miss B and Miss N have said they believe they've been called liars and it's a fraudulent

claim. I've not seen any evidence of this.

Miss B and Miss N's garage haven't confirm what the cause of the leak was. They've speculated that it could have been due to corrosion, damage or a blockage. As per the above exclusions, damage and blockages are excluded from the policy. Corrosion happens over a long period of time and I've not seen anything to suggest that the severity of the leak could have occurred within the insured period of time.

I'm very sorry that my decision doesn't bring Miss B and Miss N more welcome news. But in all the circumstances I don't find that Acromas has treated Miss B and Miss N unfairly, unreasonably, or contrary to the policy terms and conditions in declining the claim.

It has been accepted that the service provided by Acromas could have been better. For example, a physical assessment of the car as well as the part could have taken place and this has caused Miss B and Miss N distress and inconvenience. Our investigator awarded Miss B and Miss N £100 compensation which Acromas has accepted. Whilst I don't think the service issues change the outcome of the claim, based on the circumstances and the distress and inconvenience caused, I think the £100 compensation is fair and reasonable in the circumstances.

### **Putting things right**

Acromas should pay Miss B and Miss N £100 compensation for the distress and inconvenience caused.

### **My final decision**

For the reasons I've explained above, I uphold this complaint and direct Acromas Insurance Company Limited to put things right by doing as I've said above, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B and Miss N to accept or reject my decision before 3 December 2025.

Anthony Mullins  
**Ombudsman**