

The complaint

Mr H says Motors Insurance Company Limited wrongly declined a claim he made on his cosmetic car repair policy.

What happened

Mr H had used the policy previously, but in July 2025 after his car was scratched, his claim was rejected. Motors said the policy only covered *light* scratches, which it defined as a maximum of 30cm long *or* less than 3mm deep. The scratch on Mr H's car was around a metre long, but less than 3mm deep. He said the use of the word '*or*' (not the word '*and*') meant that if only one of the limitations in the definition applied then the claim was valid.

Mr H also referred to a paragraph elsewhere in the policy where minor cosmetic damage was defined as a single scratch where the total damage area was no longer than 30cm in diameter or 3mm deep. He said that amounted to a total surface area of 706cm squared. He said the length of the scratch on his car was 350cm and its width was .02cm, giving a total surface area of 70cm squared.

One of our Investigators reviewed Mr H's complaint. He noted Mr H's calculations, but he said as the scratch was more than 30cm long, it was reasonable for Motors to reject the claim. In his opinion, only one of the limitations in the policy definition needed to apply for a decline to be fair. In response, Mr H said the literal meaning of the word used in the policy had to be understood. He asked for that to be reviewed by an Ombudsman.

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.

We don't just look at the policy wording that applies to a claim. Our role is to consider whether an insurer acted fairly and reasonably. We don't always agree that reliance on a policy's strict terms and conditions (either by an insurer or by a consumer) leads to a fair outcome. So even if I were to conclude that Mr H is correct about the policy wording, it doesn't necessarily mean I'd agree that Motors' decline of his claim wasn't reasonable.

I think it's clear that the purpose of the policy is to cover light cosmetic damage that's quick and easy to repair, in common with all policies of this type. That's why the limitations are set out. The scratch on Mr H's car stretches over both passenger-side doors and continues on to the panel over the wheel arch. In my opinion, it looks like more than a minor scratch.

I can see why Mr H says the outcome of the literal meaning of the word '*or*' means a scratch can significantly exceed the length quoted in the policy definition as long as it doesn't *also* exceed the maximum depth quoted. But my interpretation of the same wording, taken in the context of this policy, is that exceeding *either* limitation means a claim isn't covered. I think it's clear that the insurer doesn't expect to have to deal with long or deep damage under its

minor cosmetic damage cover. And I think there are many reasonable consumers who would read the wording and wouldn't think a short (but deep) scratch or a long (but surface level) scratch would be covered. I don't think Mr H's calculations are persuasive, especially given my view of the definition of a light scratch. But I think it's arguable that as the wording of the limitations has led to a dispute, perhaps it could have been expressed differently.

Our service is an informal alternative to the courts, and as I said above, we consider whether an insurer has acted fairly and reasonably. I don't think Motors acted unreasonably in declining the claim. If the limitations in the definition of a light scratch weren't there, or applied in the way Mr H suggests, Motors would have to deal with scratches of *unlimited* length, as long as they weren't more than 3mm deep, or of *unlimited* depth, if not more than 30cm long. In my opinion, Mr H's interpretation of the wording would produce an outcome that I don't think would be reasonable, or in line with the purpose of the policy's cover.

Consequently, I don't think it would be fair and reasonable to uphold Mr H's complaint. Mr H won't agree with my opinion, but he doesn't have to accept it. It's open to him to pursue the matter legally should he wish to do so.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 March 2026.

Susan Ewins
Ombudsman