

## **complaint**

Mr C has complained that Society of Lloyd's refused to pay his motor insurance claim after his car was damaged during repairs.

For the sake of ease I'll refer to Lloyd's throughout this decision even though some of the actions were that of its agents.

## **background**

Mr C took his car to a garage to have its engine rebuilt. He didn't think the garage did it properly and says this caused his car to break down. So he contacted Lloyd's to ask if he could make a claim. Lloyd's told him he couldn't claim on his policy and said his cover had reduced from 'comprehensive' to 'third party, fire and theft' while his car was in the garage. Mr C says this meant he asked the garage to finish his car's repairs rather than claiming on his policy.

Mr C complained to Lloyd's. Lloyd's said this advice was wrong as his cover hadn't changed. But it said he wasn't covered for the damage, so it wouldn't ever have accepted his claim.

So Mr C brought his complaint to us. The adjudicator didn't think Lloyd's had done anything wrong. He didn't think the damage to Mr C's car was covered under his policy. But Mr C didn't agree and so his complaint's been passed to me for a decision.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr C has provided a great deal of information in relation to his complaint. I've considered all of it, but I'll focus on what I think are the main points.

Mr C's also made complaints about other businesses involved in the repairs to his car, including his legal expenses insurer. But in this decision I can only look at what Lloyd's and its agents did – and not what any of the other businesses might or might not have done wrong.

I have sympathy with Mr C's situation, but I don't think Lloyd's has done anything wrong. Mr C didn't think his policy's key facts document sets out the detail of what Lloyd's would consider as damage. But this document is part of the full policy, which sets out the terms and conditions. His policy says he's covered for accidental or malicious damage. But it also says he's not covered for *"failures, breakdowns or breakages of mechanical, electrical, electronic or computer equipment"*.

The 'guidance notes' in the policy add it *"does not and never has covered the replacement of vehicle parts or electronic systems which break down, whatever the cause"*. Lloyd's said, as Mr C's car was damaged by poor workmanship during repairs, it wasn't covered by his policy and I think that's reasonable given the terms of his policy.

I appreciate Mr C feels his car was damaged by the garage and so should be covered by his policy. But I don't agree. I understand he wasn't happy with the repairs and has provided an

expert's report to support his view that they weren't carried out properly. But I don't think Lloyd's has done anything wrong by refusing to pay his claim.

Lloyd's said the 'damage' was caused by "*defective workmanship*". And I think it was reasonable for it to say this. Mr C's expert report describes the work as "*substandard*". While Mr C's policy doesn't specifically exclude this, I think it's reasonable for Lloyd's to rely on the exclusion set out above instead. This is because the repairs led to a breakdown or breakage of mechanical equipment and I don't think that's the same as accidental damage. And - as Mr C isn't covered for parts that break down under his policy - I think Lloyd's approach to his claim is reasonable.

Lloyd's said for the damage to be considered malicious Mr C would need to show it had been done on purpose. It didn't think he'd been able to do this and so refused to accept his claim. Given the information I've seen, I think it was reasonable for it to do this. I appreciate the information Mr C provided to support his view but I don't think this proves the damage was likely to have been malicious. In fact I can see that Mr C described the damage as "*negligent*" in his claim for compensation, which I think is different to malicious and in line with the decision Lloyd's made to turn down his claim.

Lloyd's said Mr C was given the wrong information when he called to ask if he could make a claim. But it didn't think that information put Mr C in a worse position. It said, even if it had given him the correct information he still wouldn't have been able to claim because it wasn't covered under his policy. So while I can see this would have been frustrating for Mr C, I don't think Lloyd's needs to compensate him for it.

In summary, I'm aware my decision will come as a disappointment to Mr C. But I think Lloyd's has acted in line with its policy terms and I don't think it's done anything wrong by refusing to pay his claim.

### **my final decision**

For the reasons set out above, 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 C to accept or reject my decision before 8 April 2016.

Sarann Taylor  
**ombudsman**