

complaint

Mr S has complained that Acromas Insurance Company Limited has refused to pay a claim he made on his motor breakdown insurance policy.

All references to Acromas include its agents.

background

I issued a provisional decision on this complaint earlier this month. An extract from that decision follows:

“Mr S said his car broke down so he called Acromas to recover it. He said the Acromas recovery agent recommended a local garage he could take it to. After two days the garage told him the head gasket had blown and had to be replaced. They told him it would cost £1,380 plus VAT.

Mr S then contacted a mobile engineer who said he could replace the head gasket for £749.96 so he asked him to do the work instead. He paid a release fee to the first garage who returned the car to his house for the mobile mechanic to repair.

Acromas asked Mr S to arrange for its engineer to call it to discuss the work that needs to be done. The mobile mechanic called Acromas two days later and said there was a problem with the head gasket and he said he was going to be doing the repairs at Mr S's house.

Acromas spoke to the mobile mechanic the following day and asked him for photos of the head gasket and the front of the car. Acromas said the mechanic was reluctant to send the photos at first but these were sent on the same day. Acromas reviewed the photos two days later and said they didn't show the number plate and the head gasket in the same shot so they weren't what it had asked for. Acromas said there was no evidence the head gasket that was replaced was from Mr S's car. And as the mechanic had already completed the repairs, it didn't have the opportunity to inspect the car. So it turned the claim down.

Mr S wasn't happy that Acromas asked for photos and said he asked other garages who said they don't normally have to provide photos to prove they've done the work. He said this delayed the repairs. And he complained that Acromas referred him to the first garage who wanted to charge double the amount to do the work and who also mistakenly told Acromas Mr S wanted to scrap his car. He said he paid the mechanic £749.96 for the repairs and wanted Acromas to pay him £500 which is the policy limit less the £35 excess.

Acromas didn't change its view so Mr S complained to us. Acromas said the photos Mr S provided don't prove that the head gasket was replaced. It also said that it spoke to Mr S's mechanic on Mr S's landline and after comparing the mechanic's voice to Mr S's it thought it was speaking to the same person. It also said it hasn't had the opportunity to inspect the car so it doesn't know whether the breakdown was sudden and unexpected or whether it was down to a pre-existing issue in which case it wouldn't be covered anyway.

Our adjudicator thought Acromas has acted reasonably and he didn't uphold the complaint. Mr S didn't agree. Acromas said it also didn't think that the invoice from the mobile mechanic was genuine because he'd provided two invoices with two different dates. And the mechanic was charging VAT even though he wasn't VAT registered. It also said it found no evidence of the mobile mechanic when it did an online search and has concerns about whether this is a genuine business.

We then asked Acromas some further questions and it responded as follows:

- It didn't recommend the first garage to Mr S. It was his choice. And though the first garage inspected the car it wouldn't expect it to comment on how the head gasket failed and whether the failure was sudden and unexpected. This would be for an engineer to do. But as the repairs went ahead, Acromas didn't get a chance to instruct an engineer to inspect the car.*
- The mobile mechanic wrote an invoice to fit the claim. The invoice appeared to be edited so Acromas doesn't think it's a genuine invoice.*
- The address given for the mobile mechanic is listed as a DJ business in the yellow pages.*
- If the mobile mechanic isn't VAT registered he can't claim VAT on any part of his invoice.*
- The mechanic and Mr S were the same person and the mechanic even answered Mr S's landline.*

Mr S insists that it was Acromas who recommended the first garage who initially diagnosed the problem with the head gasket.

As the parties couldn't agree, the complaint has been referred to me for a decision.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm considering upholding it.

Mr S insists that Acromas recommended the first garage and Acromas says it was Mr S's choice. The first garage was the one who first diagnosed the problem with the head gasket according to Mr S. From what I understand, Acromas hasn't disputed that there was a problem with the head gasket. On balance, I think Mr S's car had a problem with the head gasket that meant it had to be replaced.

Acromas said it has concerns about the mobile mechanic's invoice. It doesn't believe it's genuine because he amended it to change the date. Acromas said the first invoice was dated before the work was completed. I don't think this proves that the work wasn't done. I think all this shows is that the mechanic amended the invoice. Acromas also said the mechanic charged VAT even though he wasn't VAT registered. From what I've seen, he hasn't charged VAT on his labour but he has on the parts that he bought. I don't think Acromas can reject the claim because of the errors on the invoice but it doesn't have to pay the VAT charged. But as the policy limit is £500 and the VAT only around £45 it doesn't make a difference to Acromas.

Acromas said the mechanic and Mr S are the same person and the mechanic even answered Mr S's landline. The mechanic is a mobile mechanic and he carried out the repairs at Mr S's home. The mechanic called Acromas and he was told he needed to speak to one of the mechanics who was in a meeting. So Acromas arranged for a call back. The mobile mechanic said he was at Mr S's property and Acromas could reach him on Mr S's landline. I think this would explain why he answered the landline. I have listened to the sales call between Mr S and Acromas and also the call between Acromas and the mechanic. I didn't think Mr S and the mechanic were the same person.

Acromas said it rejected the claim because the photos Mr S sent didn't show the head gasket and the vehicle registration in the same shot. It says there's no evidence that the head gasket that was replaced was from Mr S's car or that a head gasket was replaced at all. From Acromas' notes it seems it asked for photos of the head gasket taken out of the car and photos of the front of the car. The photos provided showed exactly that. And though I can understand why Acromas would like the registration to be on the same photos as the head gasket I don't think it was specific enough about this to Mr S or to his mechanic. So I don't think it's fair for it to turn the claim down for this reason.

Acromas said it didn't get the opportunity to inspect the car in order to determine whether the breakdown was sudden and unexpected. From what I've seen, this isn't something it raised with Mr S at the time and it didn't ask his mobile mechanic to determine the cause of the failure. It only asked for photos. And it took two days to review them. In the meantime Mr S asked his mechanic to repair the car because he couldn't be without a car anymore. And Acromas told the mechanic he would need to speak to one of its engineers after sending the photos but when he called, Acromas told him the engineer wasn't available. I don't think it was unreasonable for Mr S to ask his mobile mechanic to go ahead with the repairs in the circumstances. So I don't think Acromas can reject the claim for this reason either.

Acromas said it doesn't believe the mobile mechanic's business is genuine because it hasn't been able to find details about him online. But I don't think this is proof the business isn't genuine and Acromas hasn't provided any further evidence to prove this. So I don't think it can reject the claim for this reason.

my provisional decision

For the reasons above, I'm considering upholding Mr S's complaint against Acromas Insurance Company Limited and asking it to pay the claim up to the £500 policy limit less the £35 excess. It must also pay interest on this amount at the simple rate of 8% from the date Mr S paid the mobile mechanic's invoice to the date it pays him back."

developments and findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not going to change any of the findings I made in my provisional decision.

Mr S has accepted my provisional decision and Acromas said it has nothing further to add.

my final decision

For the reasons above, I'm upholding Mr S's complaint against Acromas Insurance Company Limited and asking it to pay the claim up to the £500 policy limit less the £35 excess. It must also pay interest on this amount at the simple rate of 8% from the date Mr S paid the mobile mechanic's invoice to the date it pays him back*. It should do so within 28 days of us telling it that Mr S has accepted my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 March 2017.

Anastasia Serdari
ombudsman

* if Acromas Insurance Company Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr S how much it's taken off. It should also give Mr S a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.