

## **The complaint**

Mr D complains that Acromas Insurance Company Limited didn't pay for all the repairs to his vehicle following a claim on his breakdown repair policy.

## **What happened**

Mr D had a breakdown repair policy that was underwritten by Acromas. In February 2023 he made a claim after he experienced issues with his car. Acromas accepted the claim and agreed with the repair garage to pay a maximum of £249.48, plus VAT, for the repairs. However the garage charged Mr D £341.74.

Mr D made a complaint as he said Acromas had sent him a text confirming it would cover the claim, so he thought this meant the full cost would be covered. He also said Acromas had unfairly priced the required parts for the repair based on market rates.

Acromas didn't uphold his complaint. It said the policy only covers the cost of parts and repairs at the market rate, and it bases its prices on those from a large supplier so it provides a fair benchmark. It also said its text message said the claim was accepted under the terms and conditions, and these explain that cost limits apply.

Unhappy with this, Mr D brought his complaint to this service.

Our investigator considered the issues but didn't recommend the complaint be upheld. She thought Acromas had acted in line with its terms and conditions and calculated its benchmark prices fairly.

Mr D didn't agree. He provided screenshots of multiple retailers selling the parts for greater amounts than those offered by Acromas. He said this shows that it had undervalued the parts and therefore offered an unfair settlement. He asked for the complaint 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.

Mr D's policy states as follows:

*'Claims will be assessed in line with Manufacturer or Motor Industry standard repair times and retail price guides. The Insurer reserves the right to fit replacement parts which have not been made by the Nominated Vehicle's manufacturer but are of a similar standard.'*

Therefore Acromas is only obliged to settle the claim based on retail price guides, rather than the price charged by the garage that carries out the repair.

Acromas has said that it bases its costs on a nationwide supplier of car parts. I can see that the supplier offers parts at the amount it would cost any customer to order, rather than offering trade discounts that wouldn't be available to a consumer. So I think this is a fair

benchmark to use.

I note Mr D has provided a number of screenshots from different retailers that sell the same parts at higher prices. However there are often a wide variety of prices based on the manufacturer of the part, location of the retailer and where they position their price point. But just because more expensive parts are available, doesn't mean that Acromas needs to meet these in its settlement. The policy terms say it will base the cost on retail price guides. And as its shown it uses a large nationwide supplier, I think its done enough to show it had based its settlement on fair prices.

I've also considered what Mr D has said about Acromas being unclear about how much of the cost of the repairs it would cover. And I understand why he may have initially thought the full claim was covered. However the text message sent by Acromas says the claim will be paid in line with the terms and conditions. And the terms allow it to settle the claim at retail prices. So I don't agree Acromas did confirm it would cover the full cost of repairs.

Further, I've listened to the call between Acromas and Mr D's garage. And in this Acromas made it clear the amount it would reimburse Mr D. It asked the garage to confirm this to Mr D and that there would be a shortfall. If the garage failed to do this, then I understand this may come as a surprise to Mr D when he received the settlement. However as Acromas informed the garage and asked it to tell Mr D, it did everything I would expect it to in the circumstances.

Mr D has also said there was an amount for 'sundries' included in the cost charged by the garage. And this included a charge for the disposal of the anti-freeze. And he says that as this was part of the repair cost it should be covered. He's also said that the amount of £9.99 that was offered by the insurer for the replacement anti-freeze wouldn't be enough to cover the cost for his vehicle.

In the call between the garage and Acromas, the garage makes no mention of the additional charges for sundries. And it confirms its cost for anti-freeze at £9.99. If the garage has increased and added charges on top of what it informed Acromas of, then this isn't something I can hold Acromas responsible for. Nor are these amounts I would expect Acromas to cover. Its policy requires it to pay for the repair and parts based on retail prices. It asked the garage to confirm what the repair was costing it and costed this up based on its price guides. This is what I'd expect it to do under the policy and I therefore think its acted fairly. If the garage went on to charge Mr D a higher amount than it confirmed to Acromas, then this isn't something I can hold Acromas responsible for or reasonably ask it to pay.

I also note Mr D's comments about the standard of the parts Acromas has based its settlement on. As well as the reviews he has sent. However this doesn't persuade me that the parts weren't of a similar standard to the manufacturer's parts. Acromas has shown it bases prices on a reliable, nationwide retailer. So I think this is enough to say the parts would be of a suitable standard, similar to that of the manufacturer.

For these reasons, I agree with our investigator that its treated Mr D fairly in the circumstances of this complaint. I therefore won't ask it to do anything differently.

### **My final decision**

For the reasons I've given, I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 8 September 2023.

Sophie Goodyear  
**Ombudsman**