

The complaint

Mr H complains that Ageas Insurance Limited (Ageas) declined his claim following fire damage to his car, under his motor insurance policy.

What happened

Mr H noticed smoke coming from under his car bonnet and the horn was sounding. He says he was able to disconnect the battery, which stopped the horn and the smoke. He says the car had become stuck in reverse and was now immobile wedged up against the front wall of his house.

Mr H contacted Ageas to make a claim. It sent an engineer to assess the damage. He concluded there was an electrical fault that caused wiring to melt. Mr H says that Ageas subsequently declined his claim as electrical faults aren't covered under his policy. He obtained a report from his own engineer who says evidence of a rodent nest were present. The engineer says this was the cause of the damage. Mr H says this cause is covered under his policy terms and Ageas should accept his claim. It didn't, so Mr H complained.

In its final complaint response Ageas says Mr H didn't refer to a fire when he reported the incident. It says he only referred to smoke that stopped when he disconnected the car's battery. It says the fire brigade wasn't called. Ageas refers to its engineer's report that there were no signs of fire damage, only damage to the fuse box and some melted wiring. It says there is no cover for electrical faults under its policy.

Mr H didn't think this was fair and referred the matter to our service. Our investigator upheld his complaint in part. She thought Ageas's engineer was persuasive and that there was no cover for the damage Mr H had claimed. However, she says Ageas misled him into thinking it was considering a payment on his claim. This caused Mr H some distress, and she says the business should pay him £50 compensation to acknowledge this.

Mr H didn't agree and asked for an ombudsman to consider his complaint.

It has been passed to me to decide.

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.

Having done so I'm upholding Mr H's complaint, but only in part. I'm sorry to disappoint him but I'll explain why I think my decision is fair.

It's for the insured to show that they have suffered an insured loss (fire, theft etc). If they can, then, generally speaking, the insurer should pay the claim. This is unless it can reasonably rely on an exclusion not to.

The policy exclusion Ageas relied on says:

"The most common things people try to claim for, which aren't covered are: • Their car breaks down due to an electrical or mechanical fault."

The report from Ageas's engineer took place on 3 January 2024. It says:

"On examination I found evidence of an electrical fault to the fuse box on the left-hand side of the engine bay with has resulted in melted wiring and damage to the fuse box. On close inspection I found no evidence of flame damage to the surrounding area. There was clear evidence of an electrical short/breakdown to the fuse box and wiring. Under the terms of the policy mechanical/electrical breakdown and or electrical faults are not covered. There was no consequential fire damage."

I've looked at the photos the engineer took. This supports what he wrote in his report. There are some melted wires and charred plastic in the fuse box. But the cover for the fuse box doesn't show signs of fire damage and neither does the surrounding area. I would expect clearer signs of further damage if there had been a fire. Mr H doesn't dispute not referring to a fire when he reported his claim. Only that there was smoke.

Mr H arranged for an engineer from a local garage to visit him at home and assess the damage to his car. This was five days after Ageas's engineer's inspection. The report provided says:

"Upon inspection, we found the fuse box under the bonnet to have melted We removed the cover which showed burnt out wiring and left [sic] burning smell. Signs of rodent presence was noted, seed and bedding debris was found in the fuse box housing, which is [sic] our opinion would have caused the fire to start".

I can see Ageas's engineer was asked to comment on Mr H's report. He says:

"I have reviewed the images presented by the owner. These images do not show the fuse board removed. They are similar images to the ones carried out at my inspection. This does not confirm a rodents nest. I have inspected many vehicles in which rodents have chewed wiring. A fuse box is not a common for area rodents to nest and there would generally be various other signs of habitants."

I looked again at the photos provided by Ageas's engineer. I can see there are a few sycamore seeds in the area of the charred fuse box. But I think its engineer's comments are persuasive that there would be other signs of infestation if rodents were nesting in this area. I can't see evidence of bedding debris as suggested by Mr H's engineer.

I've read Ageas's claim records. One entry refers to the electrical fault being a common issue for this vehicle. I've looked online to see if there was any reference to this. I can see this is reported as a common issue. I also note a vehicle recall was instructed for Mr H's model of car in the EU. This relates to an issue with the fuse box where water ingress may lead to a short circuit and the increased risk of fire.

Its not clear if Mr H's car was subject to a recall for this issue, or if this was the cause of the damage. But it does show there is a known fault affecting his model of car that results in the fuse box short circuiting.

Having considered all of this I don't think Ageas treated Mr H unfairly when declining his claim. The damage has been identified as an electrical fault. I don't think Mr H has shown that there was fire damage, or that rodents were the cause of the electrical issue. So, I can't fairly ask it to do anything more here.

I've thought about Mr H's comments that he was left waiting for several weeks for a response after he submitted information to Ageas. I can also see that when he called he was told a vehicle valuation was being carried out. This wasn't accurate as his claim hadn't been accepted. This no doubt added to Mr H's frustration when his claim was declined.

In these circumstances I agree with our investigator that Ageas should acknowledge this shortfall in the service it provided. I think £50 compensation is fair.

My final decision

My final decision is that I uphold this complaint in part. Ageas Insurance Limited should:

- pay Mr H £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 June 2024.

Mike Waldron
Ombudsman