

The complaint

Mr F complains that Helvetia Global Solutions Ltd unfairly declined a claim on his mechanical breakdown insurance policy.

What happened

Mr F's car had an oil leak, so he called Helvetia to log the claim. He also had a garage diagnose the fault and repair it and asked Helvetia to cover the cost of repair.

Helvetia reviewed the claim and declined it. It said the issue with Mr F's car was an oil leak and the policy specifically excluded "general oil leaks". Mr F was unhappy with Helvetia's response and complained. Helvetia reviewed the complaint and maintained its position that the claim wasn't covered.

Mr F then referred his complaint here. He said Helvetia had told him when he called up that oil leaks were covered and said he should get the repair completed.

Our investigator reviewed the claim and didn't find Helvetia had done anything wrong. She agreed the policy excluded oil leaks, and as Mr F's car had an oil leak, she thought the claim had been fairly declined. She also didn't agree that Helvetia had said the claim would be covered and so didn't think Helvetia had done anything wrong in the call.

Mr F didn't agree oil leaks weren't covered by the policy and asked for an ombudsman's decision. He also said he hadn't been given any terms and conditions which shows what was and wasn't covered.

As Mr F didn't agree the complaint has come 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.

Mr F's policy says:

"Your policy covers all mechanical and electrical components of the Vehicle, including Wear and Tear on covered components, that were part of the manufacturer's original specification, with the exception of those components listed below."

Below this it lists what isn't covered and provides a list of things which aren't covered, within that list it says:

"general oil leaks or the adjustment of any component".

I've therefore looked at the repair invoice for Mr F's car to see if Helvetia has acted fairly in declining the claim. The repair invoice is handwritten and appears to say: "To replace rear main oil seal, remove + refit gearbox, + bolts + gaskets". What is clear from the invoice is the issue with Mr F's car is that it has an oil leak, and to fix it the rear main seal needed

replacing.

Helvetia declined the claim as the policy excludes “general oil leaks”, I’m satisfied it acted fairly in doing so as the issue with Mr F’s car was an oil leak from the rear main seal. I’ve also listened to the call Mr F made when he called to initially report the issue and asked about the claims process. From doing so, I don’t agree Helvetia said the claim would be covered. And, while they did agree with Mr F when he said he might as well get the car repaired, as Mr F’s car needed repairing, I don’t think this has caused him a loss he otherwise wouldn’t have had.

I understand my decision will be disappointing to Mr F, but I’m not persuaded Helvetia has done anything wrong. It follows that I won’t be telling it to do anything else.

My final decision

For the reasons explained above, I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr F to accept or reject my decision before 11 August 2023.

Alex Newman
Ombudsman