

## **The complaint**

Mr V has complained about his car insurer Zurich Insurance PLC because it declined his claim for costs incurred when his engine was damaged by water.

## **What happened**

Mr V's car's engine was damaged by water. The car was taken to a garage. Mr V made a claim to Zurich. It subsequently settled with Mr V for the total loss of his car. But Zurich said it would not pay for diagnostic charges Mr V had paid to the garage (£1,456, reduced from the initial charge of £3,308.50). Mr V complained to the Financial Ombudsman Service.

Our Investigator felt that, on this occasion, Zurich's decision was fair and reasonable. In concluding that she was mindful that Mr V had only been asked to provide photos in the first instance, and the diagnostic checks, subject to charges, had been completed without request by or authorisation from Zurich.

Mr V felt that was unfair. He said Zurich had left him to deal with the garage, it had asked for photos and estimates, and the garage couldn't provide an estimate without completing diagnostics. He said he'd been asked to provide evidence of water damage to the engine, which was what he'd done. He noted Zurich had seen the evidence from his garage and, when deciding that the car was a total loss, hadn't viewed or checked the car itself.

Upon review our Investigator was satisfied that Mr V had incurred costs which Zurich had not agreed to and which had been incurred in respect of evidence it had not asked for. She felt Mr V, acting reasonably, should have enquired about costs and checked with Zurich before agreeing for the garage to complete the works. She didn't think it was fair, in the circumstances, to require Zurich to reimburse the cost.

Mr V said he had simply followed Zurich's instructions. He said it had not told him to check back with it regarding any costs which might be incurred. He asked for an Ombudsman to consider the complaint.

## **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.

There is no doubt that damage suffered to Mr V's car was covered by the policy. Clearly Zurich accepted the claim and settled it under the policy on the basis of the car being a total loss, with a market value of around £11,000. That outcome is not in dispute. The issue remains though whether Zurich should reasonably cover the cost of diagnostic charges Mr V incurred at £1,456.

I've listened to the calls Mr V had with Zurich after his car suffered damage. I'm satisfied that he was told photos alone could be considered in the first instance – but if they weren't conclusive as to the engine suffering water damage, an estimate would be required. At no

time was Mr V given authorisation to have works undertaken and Zurich did not agree liability for any charges.

I appreciate that Mr V says he did not know what to expect when making a claim like this or in trying to evidence a loss. However, I'm mindful that most people would not expect an estimate to come at a cost. I'm also mindful that most people, if they were told a cost would be incurred in order for an estimate to be provided would stop and think whether they wanted to incur that charge, whether it was reasonable. I think it's fair to say Zurich would have wanted that chance too.

Because Mr V went ahead and had expensive diagnostic work undertaken, and shared evidence of that with Zurich, it did not get the chance to consider the claim just on the basis of photos. I note Mr V did say he had a photo from the recovery agent of the engine with water in it. I understand he said he couldn't show actual damage to the engine by photos alone, because the damage done was internal. Nonetheless, I'm reasonably satisfied that, if Mr V had told Zurich it was going to cost over £3,000 to complete testing of the car, it would have acted to avoid charges being incurred.

Taking all of that into account, on this occasion, I'm satisfied it would not be fair or reasonable to make Zurich reimburse the costs Mr V incurred.

### **My final decision**

I don't uphold this complaint. I don't make any award against Zurich Insurance PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 10 January 2025.

Fiona Robinson  
**Ombudsman**