

Case study

Changing gear

Background

Laura's insurer declined her gearbox repair claim three times.

Initially when she took her car in to a garage, the mechanic suspected a worn drum. She made a claim to her insurer, but this was declined as they believed the gearbox had been worn out which was not covered by Laura's policy.

She then took it to a gearbox specialist for a second opinion. The specialist stripped the gearbox, at the request of her insurer, and disagreed that the parts had worn out. Laura relodged the claim but was declined again.

She requested a re-assessment by her insurer and was declined for a third time.

Laura found it disappointing that her insurer disagreed with the specialist opinion and declined her claims. She made a complaint to her insurer and they offered \$1000 goodwill. Laura did not accept the goodwill offer and got in touch with Financial Dispute Resolution Service.

Next steps

A Financial Dispute Resolution Service Resolution Coordinator began looking into the complaint. Our first step was to clarify the issues and facilitate communication between the parties.

The Resolution Coordinator began discussions with Laura and her insurer by phone and email. They helped clarify the issues, positions and resolution sought.

Laura requested the full costs for the repair of her vehicle's gearbox, amounting to \$2000. The insurer agreed to pay less a \$250 excess charge.

Outcome

Laura accepted the offer less her excess. The insurer confirmed payment of \$1750. After receipt of payment, Laura withdrew her complaint and the matter was closed.



**Names have been changed to protect our customers' identities*