

The complaint

Mr P complains about the amount AWP P&C SA paid following a claim he made on his motor warranty.

Reference to AWP includes its agents.

What happened

Mr P holds a motor warranty with AWP. After his car broke down, it was recovered and diagnosed. The cost of the repair was £32,299.99. But AWP said it was limiting settlement to £29,799.99.

It said the policy limited any settlement to the purchase price of the vehicle. But it said as Mr P couldn't evidence how much he purchased the car for it was limiting the settlement to the amount the repairer valued the car at.

Mr P wasn't happy with this and complained but AWP didn't change its stance. So, Mr P brought his complaint to us.

One of our investigators looked into the complaint and recommended it be upheld. He thought Mr P has shown that he purchased his car for £35,000. So he thought AWP should pay the difference between what it originally offered and the full cost of the repair. This equated to £2,500.

Mr P agreed with our investigator's view. AWP didn't respond. So, the case has been passed to me.

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 it. I'll explain why:

- It's accepted that the cost of the repair was £32,299.99.
- It's also widely accepted that the policy limits cover to the purchase price of the car. It is this purchase price that's in dispute.
- I'm persuaded Mr P has evidenced he paid £35,000 for the car. I've seen his bank statement which shows transactions totalling this amount being sent to the private seller. Our investigator put this to AWP, but AWP didn't respond, so I've no good reason to understand why AWP doesn't accept this as valid proof of purchase.
- Based on this, the limit of the policy is more than the cost of this repair, so AWP need to cover the full repair.

- As I understand it, the repair has been paid for in full. So, AWP need to pay Mr P the difference between its original contribution and the full cost of the repair. That equates to £2,500. As Mr P has been without this money since he paid it to the repairer, AWP should include 8% simple interest on any payment it makes.

My final decision

For the reasons set out above I uphold Mr P's complaint. To put things right I require AWP P&C SA to:

- Pay Mr P £2,500 – this represents the difference between AWP's initial contribution to the repair and the full price of the repair. AWP should add 8% interest to this payment. Interest should be calculated from the date Mr P paid the repairer, to the date AWP pays him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 22 November 2022.

Joe Thornley
Ombudsman