

## **The complaint**

Mr E complains Compliance Trak Limited dealt with his motor warranty claims unfairly.

## **What happened**

Mr E's unhappy with how Compliance Trak handled two warranty claims. He feels the policy was mis-sold, so would like a full refund of the premium.

Our investigator said a mis-sale complaint would need to be against the broker who arranged the policy, not its provider - Compliance Trak. He felt an offer, by the insurer, to reimburse £384, in return for cancellation of the cover, was fair. He added, in the event Mr E didn't take up that offer, it should reimburse him £36 plus VAT. That was to make up for the shortfall in the amount it paid out for a part in one of the claims. The investigator also said it was reasonable of the insurer to have declined the second claim. The insurer accepted the outcome. Mr E didn't so the complaint was 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.

Compliance Trak declined a claim for replacement of the vehicle's EGR. It said the repairer had declared soot or carbon build up to be the cause. I've heard the repairer explain that in a call recording. The policy terms do exclude damage caused by excess carbon build up. I haven't seen anything from Mr E to persuade me that wasn't the cause. Overall I can't say Compliance Trak's decision to decline that claim was unfair or unreasonable

Mr E's unhappy with the settlement paid for the other claim. It settled the claim based on a labour rate of £50 per hour. The policy terms do limit the hourly labour rate paid to that amount. They also state repair time paid will be assessed using repair time data. Compliance Trak's shown it used that information to calculate the hours payable. Overall I can't say it acted unfairly or unreasonably for these aspects.

Compliance Trak's already agreed to cover the £36 plus VAT (plus simple interest at 8%) shortfall for the part. So I'm not going to consider that any further.

Mr E's unhappy about Compliance Trak's restrictions on methods of communication available to him. Having considered its reasons, including Mr E's communications with it, I can't say it acted unfairly or unreasonably.

Mr E's explained complained Compliance Trak incorrectly told him he couldn't use this service. He feels it stopped him from having his complaint considered by an independent body. It's unfortunate if he was given misleading information. However, this service has made an independent and impartial assessment of his complaint. So I can't say he lost out as a result.

Compliance Trak's offered to pay Mr E, for the cancellation of the policy, more than he would likely receive for a pro-rata refund. If he feels the policy was mis-sold, and he wants a larger refund, he can consider complaining to the firm that sold him the cover. Mr E says he doesn't want to cancel the policy, so I haven't included Compliance Trak's offer in my final decision. But if does change his mind he should contact the insurer.

### **My final decision**

For the reasons given above, Compliance Trak Limited need to reimburse Mr E £36.20 plus VAT. It will need to add simple interest at 8% from the date Mr E paid the invoice to the date of settlement\*.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 1 June 2023.

*\*If Compliance Trak considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr E how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.*

Daniel Martin  
**Ombudsman**