

## **The complaint**

Mr T complains that Red Sands Insurance Company (Europe) Limited declined his claim on his motor warranty policy.

## **What happened**

Mr T had a motor warranty that was underwritten by Red Sands. In October 2022 he made a claim after noticing a number of faults with his car. He said there was an electrical fault with the door, a problem with the LCD display on his multimedia system and a problem with the steering control unit.

Red Sands declined the claim as it said the warranty only covered parts listed in the policy document and none of the effected parts were listed.

Mr T was unhappy with this. He said he had cover for the multimedia system, and the LED display was part of this. And he said the fault with the door handle related to the door switch which was listed as covered, so he didn't think it was fair that Red Sands declined this. He made a complaint.

Red Sands didn't uphold his complaint. In its response it said as the door switch was on the door handle rather than the pillar of the car door then it wouldn't be covered by the warranty. And while the multimedia system itself was covered the LED display was separate and wasn't listed as an inclusion so would fall outside of warranty cover. It also maintained its position on the four wheel control unit.

Unhappy with this, Mr T brought his complaint to this service.

Our investigator considered the issues and recommended the complaint be upheld. While he agreed the wheel control unit and LED display weren't covered under the policy he didn't think Red Sands had acted fairly by declining to cover the issue with the door switch. He said that 'door switch' is listed as one of the inclusions in the policy and therefore thought Red Sands should cover this aspect.

Red Sands didn't agree with our investigator's outcome. It said that the issue was with the door handle and not the door switch and as the door handle isn't a part that's covered by the warranty, it had acted fairly by declining the claim. It asked for the complaint to be reviewed by an ombudsman.

## **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 T's warranty covers repair and replacement of specific parts of the vehicle that are listed in the warranty document. Mr T has made a claim for three different parts.

The steering unit isn't in the list of inclusions so it's fair that Red Sands have said this won't be covered.

In regards to the multimedia unit, the additional cover Mr T has purchased lists the inclusions as follows:

*'Stereo hi-fi video cassette recorder, LCD screens, media control panel, auxiliary power input socket, 12 volt power supply (excluding remote control unit and headphone). Factory fitted CD player with multi changer, satellite navigation system, games machine and DVD player (excluding discs)'*

The fault was found with the 'head up display'. As this isn't listed in the inclusions for the multimedia cover, I'm also satisfied Red Sands acted fairly by declining this element of the claim.

The final issue was with the door switch on the door handle. Under the inclusions for electrical systems in the policy 'door switch' is listed. However Red Sands has said that because the door switch was in the door handle rather than the pillar of the door, it wouldn't be covered in this instance.

I've considered this and I don't think it's acted fairly. While door switches may usually be located in the pillar, it isn't clear from the policy wording that cover would only extend where this is the case. So it would be reasonable for Mr T to assume that a door switch in any location would be covered. I therefore don't think it's fair for Red Sands to exclude this part of the claim.

Red sands have since said the issue that was reported was actually with the door handle and not the door switch, and as it was the handle that was replaced, this isn't listed in the policy and wouldn't be covered.

I've looked at the invoice Mr T has provided for the required repairs from the vehicle manufacturer. In relation to issue with the door handle it states:

'Door switch  
5121090 A  
Electrics, door switch is discharging  
the car's battery to the point  
Carried out test plan AT6100\_END\_L6 energy  
diagnosis found faults stored for drivers door  
electronics.'

From this, it's clear that the issue related to the door switch. The policy states as follows:

*'This POLICY provides cover, from day one and is designed to pay towards the costs of the repair or replacement of the parts, listed under "Parts Covered"...'*

Here, in order to repair the issue with the door switch, the door handle needed to be replaced. But as the policy covers the cost of the repair of listed parts and the door switch is listed, then I think it's fair that the replacement door handle is covered under the warranty.

For these reasons I require Red Sands to accept Mr T's claim for the fault with the door switch and settle the claim in line with the remaining policy terms.

## **My final decision**

For the reasons I've given, I uphold Mr T's complaint and require Red Sands Insurance

Company (Europe) Limited to accept Mr T's claim for the door switch and settle it in line with the remaining warranty terms and conditions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 9 June 2023.

Sophie Goodyear  
**Ombudsman**