

## **The complaint**

Mr H has complained about Mercedes-Benz Retail Group UK Limited which sold him a tyre and alloy warranty when he purchased a car from it. He feels it mis-sold the warranty as it didn't tell him about certain terms.

## **What happened**

Mr H bought a warranty so he could replace the tyres and alloys of the car he was purchasing. He subsequently had issues with claiming on the warranty – complaints about which are to be dealt with, or have been considered, by the insurer. But Mr H felt Mercedes hadn't made him aware of the policy limitations or that if replacement alloys weren't available, he'd have to buy new ones instead.

When Mr H complained to the Financial Ombudsman Service, our Investigator didn't uphold the complaint. She felt Mr H had derived some benefit from the policies as some claims had been settled. She wasn't satisfied that if the relevant terms had been highlighted to Mr H, he wouldn't have bought the policy.

Mr H was unhappy. He said there were lots of things, including poor service, that he wished to complain to us about regarding Mercedes. Our Investigator reiterated that, in this complaint, we could only look at the mis-sale allegation, and that many, if not all, of Mr H's other concerns were really to do with activity the insurer was likely responsible for. She remained of the view that this complaint, about Mercedes miss-selling the warranty to Mr H, should not be upheld.

Because Mr H remained unhappy, his complaint was referred for an Ombudsman's decision.

## **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.

I appreciate that since buying the warranty Mr H has encountered various issues with its administration and the claims he has made. I can't consider anything about that in this complaint against Mercedes. I appreciate, Mr H having had claim settlements which were limited in some way, now feels the policy was never suitable for him – that he wouldn't have bought it had he been made aware. I have to think about the situation though as likely existed at the time the warranty was sold.

Mr H bought the warranty whilst Mercedes was selling him a car. There's no record of what was discussed and the paperwork Mr H has presented is somewhat limited. And Mercedes hasn't provided any documents despite our request for it to do so. Usually this type of sale is completed on a non-advised basis. But without paperwork I can't be sure that is the case. To give Mr H the benefit of the doubt, I've reviewed this from the point of view the sale was likely advised.

In an advised sale the seller has to make sure the policy suits the needs of the buyer. And important terms and conditions should be highlighted. Mr H has said he wasn't told about the limitations or the term about replacement alloys. I accept that, when he came to make his claims, the detail given to him by the insurer in these respects was a surprise to him. I note that, within the policy documents Mr H provided to us, the limitations of the warranty are set out. But I think it's possible that Mercedes didn't specifically, verbally highlight these, or the term about replacement alloys, to Mr H.

I've thought then about what would likely have happened if these cover details had been discussed. Having done so, I'm not persuaded that Mr H would ever have thought that he might reach or exceed the limit for tyre and alloys. And the limit is in excess of the cost of the premium. So I think he'd have still thought the policy could potentially benefit him. I'm also not persuaded that Mr H would have likely foreseen that replacement alloys might not be available, therefore causing him to have to purchase new items at a personal cost. I don't think that these issues, if discussed, would have resulted in Mr H not buying the warranty.

I appreciate Mr H feels strongly that Mercedes failed him. But for me to uphold a mis-sale complaint against it, I have to be satisfied that any failure likely resulted in Mr H doing something he otherwise would not have done. I'm not persuaded that is the case here.

### **My final decision**

I don't uphold this complaint. I don't make any award against Mercedes-Benz Retail Group UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 February 2024.

Fiona Robinson  
**Ombudsman**