

## **The complaint**

Mr W has complained about Motorpoint Limited which sold him a motor warranty when he purchased a car. He feels the salesman misled him into buying the product.

## **What happened**

In December 2021, Mr W was buying a car. He wasn't going to buy a warranty too. But the car salesman told him the warranty was too good not to take, being just like a manufacturer's guarantee. Mr W decided to buy the warranty, completing some paperwork.

Several months later Mr W's car presented with an engine warning light. He made a claim and a problem with an oxygen sensor was found. A claim was accepted for the cost of replacing the sensor but when a problem was discovered with the catalytic converter too, the warranty provider said that was not covered. It said there was a policy exclusion for catalytic converters. Mr W felt the warranty had been miss-sold to him by Motorpoint as a manufacturer guarantee would have covered the catalytic converter. He felt Motorpoint should cover the cost of replacing it. He complained to Motorpoint.

Motorpoint said the claim for the catalytic converter wasn't covered by the policy. And it didn't think the fault had likely been present when the car was sold. So it wasn't persuaded to assist Mr W. Mr W felt Motorpoint had failed to acknowledge his concern – that it had miss-sold the policy to him. He complained to the Financial Ombudsman Service.

Our Investigator asked Motorpoint about the sale. Motorpoint confirmed it had undertaken relevant checks with Mr W, provided necessary paperwork and that the warranty included a cancellation option for a full refund within 30 days. It didn't think it had done anything wrong.

Having considered everything, our Investigator felt it was difficult to know what was said. But she noted the paperwork provided. She felt that an exclusion for a part like a catalytic converter was quite common, and wasn't the sort of term Motorpoint would have been expected to highlight to Mr W. She wasn't minded to require Motorpoint to pay for the repair.

Mr W wasn't happy. He said that, but for the salesman's advice he wouldn't have purchased the warranty at all. So if Motorpoint did not have to pay for the repair, it should at least be made to refund the cost of the warranty. Our Investigator wasn't persuaded that would be a fair outcome – she noted Mr W had not chosen to cancel the warranty and felt that it did offer some benefits to him.

## **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 it's frustrating for Mr W to have found that he wasn't covered for something which he'd expected he would be. And to feel that all started because of what the salesman said when the car was being purchased. But when insurance products are sold and bought, both parties bear some responsibility for making sure the cover is suitable.

Motorpoint's documentation shows that it "recommended" this cover to Mr W. So its sale is what would be referred to as advised. That means that there are certain things that Motorpoint had to do in order to complete a fair sale. It's difficult to know what is said in this type of face-to-face sale. To keep things clear for both parties, Motorpoint needed to focus on details that can be captured on paper and are contained within the content of the policy documents. So I've considered what it needed to do in that respect to see if any of that would likely have highlighted that certain parts, such as the catalytic converter, were excluded. And it's worth noting here that there was no overarching requirement for it to tell Mr W what the policy was not ie that it was not like a manufacturer guarantee.

Motorpoint first had to establish that the policy met Mr W's needs. There was a form it completed in that respect, with questions asked of Mr W – such as had he had unexpected repair costs in the past. To which Mr W answered 'yes'. Based on the details captured Motorpoint established that a warranty would suit Mr W's needs.

Now Motorpoint couldn't be expected to know what might occur in the future. But having established that Mr W could benefit from having a warranty, Motorpoint needed to let Mr W know about any unusual and onerous terms or exclusions. It didn't need to go through the policy in great detail, or even to generally advise Mr W to watch out for exclusions/that some things weren't covered. That's because that's quite normal for all insurance policies I'm aware of and doesn't, by itself mean the policy or any term individually is onerous. And a warranty with exclusions for certain parts is quite common, such exclusions aren't generally considered to be onerous or restrictive either. So whilst having been told of exclusions might have changed Mr W's mind about taking the policy – because those exclusions wouldn't have been part of a manufacturer guarantee, that wasn't detail Motorpoint had a duty to draw to his attention.

Motorpoint also needed to provide the warranty paperwork to Mr W. I'm satisfied it did that and I've considered the content of it. It shows certain parts are excluded. It also shows that Mr W had the right to cancel the policy within 30 days if he was unhappy with it.

I mentioned at the start that there are responsibilities on both sides when insurance products are bought. Just as Motorpoint had a duty to check the warranty suited Mr W's needs, Mr W, as the buyer, is expected to check the warranty met his needs. Mr W, based on what he's said the salesman told him, believed it did as he wanted something like a manufacturer guarantee. But his opportunity to check it met his needs, check he understood things correctly, came with the warranty paperwork. And he was not disadvantaged at all by only being able to check things at that time because the warranty included a 30-day cooling off period during which Mr W could claim a full refund of premium (if no claim had been made).

Mr W did not make a claim in the first 30-days. But nor did he take the option of cancelling the warranty. Instead, he left it in place, later making a claim. I understand that the full claim wasn't paid – because the catalytic converter was excluded, but the costs for the oxygen sensor were accepted. And should Mr W have issues with other parts covered by the warranty during its term, he'll likely be able to benefit from the warranty again.

Overall I'm not persuaded that Motorpoint failed Mr W when it sold him the warranty. As such, it wouldn't be fair or reasonable, in my view, for me to make it either pay for the repair or to reimburse the warranty cost.

**My final decision**

I don't uphold this complaint. I don't make any award against Motorpoint Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 1 April 2024.

Fiona Robinson  
**Ombudsman**