

The complaint

Mrs M complains London General Company Limited unfairly declined her motor warranty claim.

London General's been represented by an agent for the claim and complaint. For simplicity I've referred to the agent's actions as being London General's own.

What happened

In February 2023 Mrs M claimed against her London General motor warranty. She reported a rattling noise coming from her car's engine, a lack of power and various warning lights. Mrs M's own garage said a new engine was required. London General requested a full report on the damage with images of the engine.

Mrs M's repairing garage provided a report with photos. It said the fault was with the car's oil pump not working. This had caused problems the timing chain which in turn resulted in the pistons sticking. The report also outlined a known underlying problem, causing timing chain failure, with the type of engine found in Mrs M's car.

After reviewing the information London General declined the claim in May 2023. It considered there hadn't been a sudden mechanical failure - as required for the policy to pay out. It considered the photos didn't show any major failed or broken parts – just some wear and tear on casings. In addition, due to the mileage between the policy start date and breakdown, it considered wear to the oil pump will have pre-existed the start of the warranty – so wouldn't be covered.

Mrs M wasn't happy with that decision. In June 2023 London General responded to her complaint. It apologised and offered £40 compensation for failing to inform her garage that the claim had been declined. However, it stuck with that decision. It said no 'sudden mechanical failure' had been identified. It explained the fault was due to materials used in manufacture. It said the warranty excludes failures due to inherent design faults or faults that existed before the warranty agreement was entered in to.

Mrs M wasn't satisfied, so referred his complaint to the Financial Ombudsman Service. She said London General's decline of the claim is unfair.

Our Investigator wasn't persuaded London General could fairly rely on various exclusions to decline the claim. So he recommended it disregard the exclusions and reconsider Mrs M's claim in line with the remaining policy terms – he added that would mean determining what caused the oil pump to fail. London General didn't accept that outcome. It repeated its reasons for declining the claim and asked that an Ombudsman review the complaint. So it was passed to me to consider.

When considering the complaint, I discovered Mrs M's car had passed a MOT in October 2023. The MOT records showed the car having travelled around 1,000 miles since Mrs M had made her claim. This indicated the car having been repaired and in use before she referred the complaint to this Service. That differed to what had been previously

understood – that the car was unusable and at her repairing garage – with its engine dismantled and in need of a replacement. When asked about the MOT and additional mileage Mrs M said the repairing garage had been driving it without her permission.

In response I requested further information from Mrs M. I explained the complaint I'm considering is regarding a claim for mechanical repair to her car. I said for me to uphold it I'd need to be persuaded London General had unfairly declined the claim – and that she had lost out financially because of that unfair decision.

I said it now appears the car is now in working order – having seemingly been in use since at least September 2023. I explained as she had provided limited information about this it's difficult for me to find that there was (as is required if I'm to find the claim was unfairly declined) a sudden and unforeseen mechanical breakdown – or if various policy exclusions fairly apply to deny the claim.

I explained that for these reasons I require an explanation and evidence of the repairs the mechanic undertook to return the car to a usable condition. I'd also require an updated explanation of the cause of any breakdown. I also said I'd require further information to understand any financial loss. I gave some examples of the detail required.

Finally I said if I'm not provided with the required information, I'm likely to find I'm unable to determine that London General unfairly declined the claim and/or that there was a financial loss. Mrs M didn't provide any further information.

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.

Unfortunately Mrs M didn't respond to my information request by the deadline. So for the reasons set out above - I don't uphold her complaint. I don't have the required information to be able to determine London General unfairly declined her claim and/or caused her a financial loss.

My final decision

For the reasons given above, I don't uphold Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 16 September 2024.

Daniel Martin
Ombudsman