

## **The complaint**

Mr R complains Red Sands Insurance Company (Europe) Limited unfairly declined his motor warranty claim.

Red Sands been represented for the claim. For simplicity I've generally referred to the representative's actions as being Red Sand's own.

## **What happened**

Mr R made a claim against his Red Sands motor warranty. His car had lost power and gone into limp mode. He took it to his own garage (G). G found turbos had failed. It requested authorisation from Red Sands to complete repairs under the warranty. Red Sands appointed a turbo specialist firm (T) to assess the damage. T initially inspected the damaged parts by video. It then requested the turbos be sent to it for physical inspection.

Having assessed the turbos, T concluded there had been a previous poor quality repair. Based on that opinion Red Sands declined the claim - relying on a 'poor repairs' exclusion to do so.

Mr R wasn't happy with that decision. He denied the previous repair had been poor quality, saying genuine manufacturer parts had been fitted by G three years earlier and had worked perfectly until the recent sudden mechanical failure. He felt T had damaged the turbos' impellers. He said photos, provided by T, after its inspection showed damage not there originally. He requested Red Sands pay his claim and reimburse his hire car costs.

Red Sands maintained its decline decision. It declined the request for hire car costs, saying as Mr R's car isn't being repaired under the warranty, he's not eligible for a hire car.

Our Investigator felt Red Sands was entitled to decline the claim. He wasn't persuaded it was responsible, as Mr R had complained, for delay in providing images of the turbos. So he didn't recommend it settle the claim or do anything differently. As Mr R didn't accept that proposed outcome, 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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr R and Red Sands have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Mr R's warranty covers all mechanical and electrical parts against mechanical breakdown. Mechanical breakdown is defined by the warranty as 'the failure of a part, causing it to suddenly stop working, for a reason other than negligence'.

Red Sands has relied on an exclusion to decline the claim - the warranty states it doesn't cover 'The effects of poor repairs...'. I've had to decide if it was fair and reasonable for Red Sands to rely on that exclusion to decline the claim. It's been a difficult decision to make, in part as the evidence is limited. But on balance, I find Red Sands has done enough to persuade me the claim likely arises from poor quality repairs.

Having inspected the turbos, T found there to have been a previous poor quality repair. It refers to the condition of the turbos, with a broken turbo found jammed in the turbine housing. G, who undertook a repair in 2021, denies it was of poor quality or that it had used substandard parts.

I've considered Mr R and G's comments that genuine parts had been used in the previous repair, that it wasn't poor quality and that the turbos had deteriorated in T's possession. But I'm more persuaded by T's opinion, with it being a turbo specialist. It's also of note for me that there was only three years between G's repair and the further breakdown. That lends support to T's 'poor quality' repair opinion. I say that because it's reasonable for a repair to last longer than three years. I realise this will be frustrating for Mr R, but having considered the available evidence, I find it's reasonable for Red Sands to rely on the 'effects of poor repairs' exclusion to decline the claim.

As I consider it was fair to rely on the exclusion, there's no benefit to me considering if the failure was or wasn't a 'mechanical breakdown' as defined by the warranty - the outcome for the complaint would be the same either way.

The policy, when the insured car is being repaired under the warranty, provides a contribution towards a replacement vehicle. As that didn't happen, I wouldn't expect Red Sands to have made a relevant payment. Neither did it cause any unreasonable delay, or other omission, that might reasonably require it to make any contribution, outside of the terms of the warranty, towards Mr R's hire car costs.

Mr R complained about the time taken for it to provide T's photos of the turbos. It did take more than a week. I accept that would have been frustrating, but I can't see it made a difference to the outcome of the claim or caused him to lose out in any significant way.

Overall, I'm satisfied, on balance, Red Sands fairly declined the claim and handled it in a reasonable manner overall. So I'm not going to require it to do anything differently.

### **My final decision**

For the reasons given above, I don't uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 March 2025.

Daniel Martin  
**Ombudsman**