

The complaint

Mr B complains that he was mis-sold a motor warranty by Motorpoint Limited.

What happened

Mr B purchased a vehicle from Motorpoint. Alongside that purchase, he bought some additional insurance policies. One of them was a motor warranty which amongst other things, covered Mr B for the costs involved if the car failed an MOT test.

Mr B said he was told that if the car failed an MOT, he'd not need to worry, the policy would cover him. He said this was important to him, because he'd previously had cars that had cost him lots of money when they'd failed an MOT.

Unfortunately, Mr B's car did fail an MOT. Mr B paid the costs needed for the car to pass and made a claim to have those returned to him through his warranty.

But the provider of the warranty declined his claim. It said the things claimed for – brake pads and disks – weren't covered if they needed replacing due to wear and tear, which it said was the case here.

Mr B complained to Motorpoint, he said he was told at the point of sale that effectively he'd have nothing to pay if his car failed an MOT, because the policy would cover him for those costs. He said no exclusions or limitations to that cover were provided to him. He's said the one and only reason he bought the policy was so that he was covered should his car fail an MOT. He's said he wouldn't have purchased the policy if he'd known this wasn't the case.

Motorpoint said the policy was sold face to face, and it had no record of that discussion other than the policy documents. But it said it's agent wouldn't have said everything was covered, because that isn't the case. It said in any case, Mr B was provided the documentation and had the option to review it and cancel it if it didn't meet his needs. It maintained it hadn't done anything wrong but offered to pay for 50% of Mr B's repair costs relating to the failed MOT (£115).

Mr B didn't accept that offer and maintained he was mis-sold. He wanted a full refund of the policy. Unsatisfied with Motorpoint's response, he brought his complaint to the Financial Ombudsman Service.

Our Investigator didn't recommend Mr B's complaint be upheld. She said she couldn't be sure of what was discussed at the point of sale. But she said that based on the documents, it was clear that there were terms and conditions applying to what was covered if the car failed the MOT. She said, like Motorpoint, that Mr B could have cancelled the policy if it didn't meet his needs but he didn't do so.

Our Investigator didn't think requiring Motorpoint to refund the policy was reasonable because the policy provided more benefit than failed MOT test cover, such as mechanical breakdown cover.

Mr B didn't accept this assessment and asked for an Ombudsman's decision. He maintained he was told the policy would cover everything if his car failed an MOT, and that he wouldn't have bought the policy were that not the case. He provided three witness statements supporting that he was told the policy would cover him should his car fail an MOT.

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.

Having done so, I'm not going to require Motorpoint to do any more than it's already offered to do. I'll explain why.

I understand being covered for a failed MOT was important to Mr B. He's told us why, based on past experience and current circumstances that this aspect of cover was important to him.

But ultimately, I have no way of knowing what was discussed when he took out this warranty. I wasn't present. I've taken on board Mr B's comments, and I've considered the statements provided by his witnesses. These are all clear on their understanding of what occurred during the sale.

But, that is what it is, their understanding, it's not concrete evidence of what occurred – it's simply how all parties remember it to have. That said I do take note that all of them come to the same conclusion, that Mr B was in effect, told everything would be covered if his car failed an MOT, and that this was an important factor in him taking out the policy.

But I also have to consider Motorpoint's perspective. It's said it can't recall what was said, but wouldn't have said everything was covered, because with insurance that's never the case. And that's true, no policy covers every item for every eventuality, that's simply not how insurance works. Terms and conditions apply to every policy.

It's hard to make a finding here on what I think most likely happened. Motorpoint's explanation is plausible, and reflects the true nature of the policy. But Mr B's is equally plausible, and supported by others who said they witnessed the sale.

So, while I'm not making a finding on what was said at this point, I've gone on to consider what I think likely would have happened if Motorpoint had been explicitly clear in that brake pads weren't covered by the policy – because they wear over time.

Mr B has said in effect if he knew everything wasn't covered, he wouldn't have bought the policy. I understand that point, but it's one made in hindsight, after a claim has been declined.

Ultimately I'm not persuaded by that. And that's because Mr B has made it clear that having protection from unexpected costs, specifically those relating to a failed MOT was important to him. This policy offers that protection. Yes, it has limits and exclusions which Mr B says he was unaware of, but think it's more likely than not, that at the time the policy was taken out, even if all those limits and exclusions were made clear to Mr B, he would have taken the policy out regardless. That's because the policy, even with those limits and exclusions offers significantly more protection than not taking it out at all.

Mr B, at the time of taking the policy didn't know his car would fail an MOT, or what for. So I think knowing he was covered for a number of things by the policy, but that other things he'd still need to pay for still would have been an attractive proposal to him.

I understand and accept Mr B may well disagree with me on that point. But I'm satisfied that was what I think would most likely have happened.

Motorpoint and our Investigator pointed out that Mr B was sent the policy documents, and that he had a responsibility to read them. And that's true. But at the same time, I think many people don't read their documents after they get them, and it is also reasonable to rely on what the person selling the policy told you when it was sold.

In summary then, I don't know what Mr B was told when he took the policy out. But I'm satisfied, that even if he was told specifically that the parts he ended up claiming for wouldn't be covered (and that other exclusions applied), he would have still taken the policy out based on the benefits it did offer. For that reason, I don't find it has been mis-sold to him.

I can see Motorpoint has offered to pay for half the cost of the repairs, and I think that's reasonable – especially considering I don't find it mis-sold this policy. I understand Mr B declined that offer. But if he wants to accept it now, then Motorpoint should honour it.

My final decision

For the reasons set out above, I don't require Motorpoint Limited to do any more than it's already offered to do. If Mr B wants to accept its offer of £115, it should pay that to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 November 2025.

Joe Thornley
Ombudsman