

The complaint

Mr B complains that AWP P&C S.A. have unfairly declined a claim on a motor warranty.

What happened

Mr B has a motor warranty with AWP. In February 2025, Mr B's car developed a fault with its timing chain. Mr B claimed on his policy. AWP reviewed the claim but declined it. They said Mr B hadn't serviced the car in line with the manufacturer's specification. Mr B was unhappy and complained. AWP didn't uphold the complaint, they didn't think they'd done anything wrong. Still unhappy, Mr B brought the complaint to this service.

Our investigator didn't uphold Mr B's complaint. She didn't think AWP had unfairly declined the claim. Mr B appealed. He made the following points:

- Inconsistent application of servicing requirement
- Lack of fair treatment and transparency
- Customer detriments

As no agreement could be reached, the complaint has been passed to me to make a final 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.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it. So, I've thought about whether AWP acted in line with these requirements when it declined Mr B's claim.

Having done so, and whilst I appreciate it'll come as a disappointment to Mr B, I've reached the same outcome as our investigator.

At the outset I acknowledge that I've summarised his complaint in far less detail than Mr B has, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

As a starting point, it's important to understand what the terms and conditions say. The policy sets out the following:

“What must I do to keep the warranty valid?”

The terms and conditions listed below must be adhered to. Failure to do so will result in the rejection of a claim or the termination of your [Manufacturer] Insured Warranty. This does not affect your statutory rights.

“1. a) Care of the Vehicle – you must keep your vehicle in an efficient and road worthy condition and regularly service it in accordance with the manufacturer’s recommendations and genuine parts, or parts of equivalent specification must be used.”

AWP has provided us with Mr B’s car’s service history. This shows that the car hasn’t been serviced in line with the manufacturer’s recommendations. Mr B has accepted his car hasn’t been serviced in line with the manufacturer’s recommendations. The part that failed is impacted by engine oil, so, the service history can impact its lifespan.

Based on the terms and conditions, I don’t think it was unreasonable for AWP to decline the claim. I’ll also address the points made by Mr B separately below.

Inconsistent application of servicing requirements

Mr B has made previous claims on the warranty which have been accepted by AWP. Technically, due to the service history, AWP wouldn’t have needed to have accepted these claims. However, as the claims weren’t for serviceable parts, or parts impacted by servicing, AWP didn’t request the service history and accepted the claims. I don’t think AWP should be required to accept this claim just because they’ve accepted them in the past.

Lack of fair treatment and transparency

Mr B has said it’s unfair to rely on small print without a warning or reminder. He also said he would have expected it to be made clear at appropriate times, such as at renewal or when a service was overdue.

This is a common term in motor warranties, so, there would be no need for AWP to highlight the term. The term being in the policy is clear enough. Mr B’s policy renewed on an annual basis, and so the term would have been available for Mr B to see at each renewal when taking out the new policy. AWP don’t have access to Mr B’s service records. When needed they need to ask the manufacturer for these. There would be no requirement for AWP to provide a warning, but even if they wanted to, they wouldn’t have the information available to them.

Customer detriment

Mr B has said he paid his premiums in good faith, the claim was declined on a technicality that wasn’t highlighted, and the claim has caused him distress.

I’m sorry to hear how the claim has affected him, but this wouldn’t have change the outcome of the claim. Whilst I accept Mr B has paid his premiums, he’s also received a benefit from doing so with eight previously accepted claims. AWP may still accept any future non-serviceable part failures should Mr B decide he wants to continue with cover at his next renewal. As stated already, the term didn’t need to be highlighted to him as it’s not unusual or onerous.

I’m very sorry that my decision doesn’t bring Mr B more welcome news at what I can see is a difficult time for him. But in all the circumstances I don’t find that AWP has treated Mr B unfairly, unreasonably, or contrary to the policy terms and conditions in declining the claim.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint. I don't require AWP P&C S.A. to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 January 2026.

Anthony Mullins
Ombudsman