

The complaint

Mr B complained about the customer service provided by Red Sands Company (Europe) Limited whilst claiming on his motor warranty.

What happened

Mr B took out a motor warranty with Red Sands in December 2024. He purchased the car in September 2024 and originally had the car covered by a warranty provided by the dealer. In January 2025, Mr B took the car to a garage after an unusual feeling whilst changing gears. It was diagnosed there was an issue with the torque converter and clutch plates. Mr B raised a claim but was unhappy with how long the claim was taking. He was also unhappy with communication and being provided misleading information about the claim outcome. Red Sands upheld the complaint and said the service could have been better and apologised to Mr B. Mr B was still unhappy and brought the complaint to this service.

Our investigator upheld the complaint. Whilst she didn't think Red Sands had provided Mr B with any misleading information, they felt there had been delays and Mr B was required to call Red Sands a lot to get updates. Our investigator thought Red Sands should pay Mr B £100 compensation. Red Sands didn't respond but Mr B appealed. He didn't think the compensation was enough and said there were large periods of silence during the calls and thought they'd been edited. 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. So, I've thought about whether Red Sands acted in line with these requirements with how they handled 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 for the same reasons.

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 set the scope of this decision. Red Sands have since declined Mr B's claim. Mr B has raised a further complaint about this, and this is being considered under a different complaint by this service. This decision considers the service

provided by Red Sands from the point of raising the claim to 4 February 2025 when Red Sands issued their final response.

Red Sands has accepted that the service provided could have been better. I've reviewed the timeline of events and agree. I think the communication with Mr B could have been better as Mr B and his garage had to contact Red Sands a lot for updates. I also think it's likely the claim could have been dealt with slightly quicker.

Mr B has also raised that he was given misleading information and false hope about the outcome of his claim. I've listened to all the calls Mr B had with Red Sands and haven't heard them provide Mr B with any misleading information on the outcome of his claim. Mr B has raised there are periods of silence during some of the calls. This happens when Red Sands tell Mr B to hold. I've not seen any evidence of the call recordings being edited or redacted. Based on what I've seen, I don't think Red Sands have done anything wrong on this point.

I appreciate that it must have been frustrating for Mr B to have to spend so much time chasing Red Sands for updates. I've considered everything in the round and I think Mr B has been caused an unreasonable amount of distress and inconvenience which has required a reasonable amount of effort to sort out and has impacted Mr B over several weeks. In line with our website guidelines, I think £100 compensation is fair and reasonable.

Putting things right

To put things right, Red Sands should pay Mr B £100 compensation for the distress and inconvenience caused.

My final decision

For the reasons I've explained above, I uphold this complaint and direct Red Sands Company (Europe) Limited to put things right by doing as I've said above, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 November 2025.

Anthony Mullins
Ombudsman