

## The complaint

Mr V complains that Newline Insurance Company Limited unfairly declined a claim he made on his motor warranty.

## What happened

Mr V held a motor warranty with Newline. Following an issue with his car, he took it to be repaired. The repairer noted the issue was with Mr V's car's turbo. Mr V claimed for the cost of the repair from Newline.

Newline declined Mr V's claim. It said the turbo was a covered component, but it didn't consider it to have failed – more that it was sticking sporadically.

Mr V didn't think this was fair and complained, he said the turbo actuator had failed, causing the sticking. He thought his claim should be covered.

Newline didn't change its stance, so Mr V brought his complaint to the Financial Ombudsman Service.

Our Investigator thought Mr V's claim should be upheld. He said under the terms of the warranty, it should be considered that the turbo had failed. So, he thought Newline needed to settle Mr V's claim and pay £100 compensation for the distress and inconvenience caused by unfairly declining it.

Mr V agreed to that assessment. Newline didn't and asked for an Ombudsman's decision. It said even if the turbo was considered to have failed, it didn't do so suddenly and was more a gradual loss of function over time. Something it said wasn't covered by the policy.

## 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 upholding it, I'll explain why.

There's no dispute that a turbo is a part covered by Mr V's policy with Newline. The dispute surrounds whether the turbo failed, in line with the policy terms, in order for it to be covered.

The policy says Mr V is covered for mechanical and electrical failures. It defines those as *“A sudden and unforeseen failure of a component, resulting in the component not being able to function as it was intended, necessitating the immediate repair or replacement of the component before normal operation can be resumed.”*

Here, the turbo isn't working properly, that's not in dispute. So I think a reasonable interpretation is that it's not able to function as it was intended. And I think it's also reasonable to say that immediate repair or replacement is needed to resume normal operation. The diagnostic report confirms as such, that replacement or repair is needed.

I don't find it reasonable to say that simply because the turbo functions at a reduced level of efficiency than it's intended to function at, that it doesn't constitute a failure of the part based on the above definition. In addition, the diagnostic notes this issue a "failure" of the turbo actuator.

So what's left in question is whether that failure was sudden and unforeseen. There's no suggestion from either party that the failure was in anyway foreseen. So that leaves determining whether the fault was sudden or not.

Newline, in response to our Investigator's assessment said the failure wasn't sudden and that it would have happened gradually, over time. But it's not provided anything to support that being the case. And from Mr V's testimony, he noted an issue with the performance of his car and took action to see what was causing it, with the intention of fixing it. So to him, I'm satisfied the failure was sudden.

Without anything else from Newline showing Mr V was aware of the issue, that it had been ongoing, and that his driving made the damage worse, which we've not been provided, then I think it's fair and reasonable to determine this as a sudden failure.

In light of the above, I don't find Newline's decline of Mr V's claim fair. As a result, it needs to take action to put things right.

Not having the claim paid will have caused distress and inconvenience. I've not been made aware of any specific loss of use claim, or that Mr V has had to borrow money, or even that he has had the repairs completed (hence no award for interest). But, even so, I'm satisfied not having a claim paid that you fairly should have, will have caused a degree of distress and inconvenience. So for that, like our Investigator, I'm satisfied £100 is fair.

### **Putting things right**

Newline needs to

- Settle Mr V's claim in line with the remaining terms and conditions of the policy.
- Pay Mr V £100 compensation

### **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint and require Newline Insurance Company Limited to take the actions set out in the "putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 5 March 2026.

Joe Thornley  
**Ombudsman**