

The complaint

Mr T complains that Financial & Legal Insurance Company Ltd (“Financial & Legal”) unfairly declined a claim he made on his motor warranty policy.

What happened

Mr T held a motor warranty policy with Financial & Legal for his vehicle. He notified them of a claim in May 2025 when his vehicle’s clutch failed. Mr T’s policy covers the sudden and unforeseen mechanical failure of components, but it excludes damage that’s caused by wear and tear. Mr T said his mechanic confirmed the cause as a catastrophic dual-mass flywheel (“DMF”) failure, which he said was a sudden mechanical event. Financial & Legal said that they would cover the cost of the damage to the slave cylinder, but they declined to cover the costs of the DMF. This was because they commissioned a report which said the DMF was “excessively worn”.

Mr T disagreed and said his mechanic’s report was clear that the DMF had suffered a sudden mechanical failure and this caused consequential damage. He also felt that Financial & Legal had misinterpreted their own engineer’s report and said the report didn’t show the failure was due to wear and tear. He raised a complaint, but Financial & Legal maintained their claim decision. Mr T remained unhappy with their response to his complaint – so, he brought it to this Service. I issued a provisional decision in which I said the following:

“The background to this complaint is well known to the parties, so I won’t repeat everything in detail here. Instead, I’ll focus on giving the reasons for my decision.

I’ve reviewed both reports, as well as the other relevant evidence and submissions from both parties. And where the evidence is incomplete, inconclusive or contradictory, I’m required to reach my conclusions on the balance of probabilities; that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances. Having done so, I find Financial & Legal’s decision to decline the claim on the policy exclusion to be fair. I say this for the following key reasons.

- *Mr T’s mechanic’s report said there was no “signs of wear and tear” but that comment isn’t supported by any measurements or photographs.*
- *In contrast, Financial & Legal’s report gives a fuller technical description. The report records that the clutch friction plate was around 60% worn, the DMF showed excessive movement and “blueish colouring”, and that grease from the DMF had contaminated the clutch.*
- *Financial & Legal’s report describes the physical findings that I think would reasonably point to the failure being due to wear and tear.*
- *In contrast, Mr T’s report doesn’t provide any reasoning as to why it ruled out wear and tear as the operative cause of the failure.*
- *When combined with Financial & Legal’s further submissions; that Mr T’s vehicle had covered over 140,000 miles and that the normal lifespan of a DMF was between 80,000 to 120,000 miles, I’m most persuaded that, on balance, the damage was likely due to wear and tear and not a one-off event.*

- *I find it reasonable to give more evidentiary weight to Financial & Legal's photo-documented report than to a report which does not provide any reasoning for its conclusions.*

Ultimately, the onus rests with the insurer to demonstrate that a policy exclusion applied. And overall, I find that Financial & Legal's decision to decline the claim using the wear and tear exclusion was fair and based on the available evidence. I am persuaded to attach more evidentiary weight to the report provided by Financial & Legal as it outlines that the DMF and clutch friction plate were worn, and I'm satisfied that the photos support this. Mr T's report rules out any wear and tear whatsoever, which I think Financial & Legal's report demonstrates is not the case.

In respect of how Financial & Legal handled the claim, while I think there were some instances of poor communication and a lack of updates, I do not find that this materially changed the overall claim outcome itself. And given Financial & Legal covered the costs of the damage to the slave cylinder and paid for the report that they relied on, I think they've acted fairly and in line with the policy's terms. As such, I don't think they need to do anything more here.

I appreciate my decision will be disappointing for Mr T, and I certainly recognise his strength of feeling over this complaint. But for me to direct Financial & Legal to meet the claim under the policy, I would need to be satisfied they treated him unfairly. And for the reasons I have set out above, I do not find this to be the case."

I concluded that I did not intend to uphold the complaint, and I invited both parties to provide a response. Financial & Legal didn't provide any further information for me to consider. Mr T did provide a detailed response as well as new evidence for me to consider. The main points of his reply were that:

- Financial & Legal's report was wrong to state that the clutch plate was 60% worn. Mr T provided invoices which showed the clutch and master cylinder was replaced.
- He had only covered around 18,000 miles since they were replaced, which demonstrates they couldn't have been worn from wear and tear.
- Financial & Legal's report observed damage that was due to consequential damage due to a catastrophic DMF failure.
- He mainly drove his vehicle on the highway, thereby extending the lifespan of serviceable parts.
- The "blueing" on the parts supported a sudden failure not wear and tear.
- Financial & Legal's report was unreliable, as Financial & Legal had agreed to replace the slave cylinder.
- Only his report identified the cause of the failure, and any ambiguity should be resolved in his favour.

Mr T maintained that the fair and reasonable conclusion would be to direct Financial & Legal to refund the £1,340 repair costs plus 8% simple interest and pay £200 compensation. As both parties have now had the opportunity to provide a response, I will set out my final decision below.

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, while I've carefully considered Mr T's new submissions, I've not been persuaded to alter the outcome I previously reached in my provisional findings. I appreciate this will be disappointing to Mr T – so, I've set out my reasoning below.

I want to start by once again acknowledging that I've summarised Mr T's complaint, and I haven't commented on each and every point raised. Instead, I've focussed on what I consider to be the key points I need to think about to reach a fair and reasonable outcome overall. I don't mean any discourtesy by this; it simply reflects the informal nature of this Service. I assure Mr T, however, that I have read and considered everything he's provided.

I appreciate Mr T has now provided invoices which he says show the clutch kit and master cylinder were replaced in 2023 and 2024. I have considered these carefully, however I first note that this evidence wasn't provided to Financial & Legal during the original claim, nor was it available to the engineer who assessed the components at the time of the failure. As such, it is not determinative as to whether Financial & Legal acted fairly when they inspected the claim. Additionally, I place less evidential weight on it because the engineer's findings reflect the actual condition of the parts at the time of the claim, and I do not find that this evidence alters what the engineer observed directly.

I've also compared both technical reports again as part of my decision-making process. Mr T's report describes the failure as sudden and not related to wear, but the report does not include examination notes on the internal state of the DMF or explain how a component could show the level of wear the engineer observed if it were not, in fact, worn. In contrast, Financial & Legal's report contains detailed findings, including blueing, friction marks, contamination, and friction plate wear. I'm satisfied that those findings are consistent with progressive deterioration over time. And while Mr T's invoices showed the clutch kit was replaced previously, they don't change the physical condition the later report observed at the point of failure.

On balance, I remain satisfied that the DMF failure is more likely than not to have arisen from progressive wear rather than from a sudden mechanical failure. The independent engineers' findings describe characteristic signs of deterioration, and I haven't been provided with persuasive evidence that contradicts those observations. The later submitted invoices confirm that some components may have been replaced, but they don't alter the condition Financial & Legal's engineer observed at the time. For those reasons, I find that Financial & Legal was entitled to apply the wear and tear exclusion in the policy, and I don't uphold this part of the complaint.

In respect of Mr T's submissions overcompensation due to how Financial & Legal handled the claim, I'm satisfied I have already addressed these points in my provisional findings. I agree that there were some instances of poor communication and a lack of updates, but I do not find that this materially changed the overall claim outcome itself. And given Financial & Legal covered the costs of the damage to the slave cylinder and paid for the report that they relied on, I think they've acted fairly and in line with the policy's terms. As such, I don't think they need to do anything more here.

My final decision

For the reasons I've given above, my final decision is that I do not uphold this complaint or require Financial & Legal to do anything more in relation to it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 January 2026.

Stephen Howard

Ombudsman