

The complaint

Mr M complains that Newline Insurance Company Limited declined a claim on his motor warranty. He's also complained about how the policy was sold.

What happened

Mr M bought a second-hand car in September 2024. He was given a three-month free warranty. In December 2024, when the warranty expired, he bought a further 12-month warranty with Newline. In February 2025, Mr M took the car to a garage after a warning light came on. Initially the garage thought the light had come on due to the additive tank being empty, however, after refilling it the light remained, and it was identified the pump was broken. Mr M raised a claim with Newline, but it was declined as they felt Mr M had been negligent. They said this was excluded under the policy. Mr M raised a complaint, but Newline didn't change their outcome. Still unhappy, Mr M brought the complaint to this service.

Our investigator upheld the complaint. They didn't think the claim had been fairly declined. They didn't think there was evidence to support Mr M had been negligent. Our investigator thought Newline should cover the cost of the repair and pay Mr M £100 compensation for the trouble and upset caused. Newline appealed. They still felt the evidence supported Mr M had been negligent. As no agreement could be reached, the complaint has been passed to me to make a final decision.

Because I disagreed with our investigator's view, I issued a provisional decision in this case. This allowed both Newline and Mr M a chance to provide further information or evidence and/or to comment on my thinking before I made my final decision.

What I've provisionally decided – and why

I previously issued a provisional decision on this complaint as my findings were different from that of our investigator. In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Based on what I've seen so far, I don't intend to uphold Mr M's 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 Newline acted in line with these requirements when it declined Mr M's claim.

At the outset I acknowledge that I've summarised his complaint in far less detail than Mr M 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.

It isn't in dispute that the part in question is covered. The policy covers against a mechanical and electrical failure. Mechanical/electrical failure is defined in the policy 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."

Newline has relied on the following exclusion to decline the claim:

"No liability will be accepted for any faults caused by the vehicle or any component being subject to, freezing or overheating of the cooling system, intrusion of foreign matter, misfuelling, corrosion, neglect, lack of servicing, lack of lubrication, or anti-freeze."

When additive levels are low, a warning light will usually show on the dashboard. We have been provided with a fault reading report from Mr M's garage. This confirms the fault warning light came on at 176,409km (109,615 miles). The mileage on Mr M's car at the point of taking it to the garage for repair is recorded as 111,167 miles. This suggests Mr M drove the car for almost 2,000 miles after the warning light came on.

I don't think it's reasonable to have driven the car for so long with the warning light showing. So, I don't think it's unreasonable for Newline to have relied on the above exclusion to decline the claim.

Mr M has also raised that he felt the policy was mis-sold as he wasn't informed about the policy exclusions. Whilst Mr M wasn't provided with the policy terms prior to taking out the policy, he was sent these after. Mr M was informed clearly during the sales call that he had 30 days to cancel for a full refund if he didn't want the policy. This allowed Mr M the opportunity to review the policy terms and conditions to decide if he wanted the policy. I wouldn't expect Newline to point out every exclusion during the sales call. The term being relied on isn't unusual or onerous and is a common term in motor warranties and so didn't need to be specifically made clear to Mr M. Even if I had thought it should, which I don't, I still think Mr M would have proceeded with taking out the warranty. Based on everything I've seen, I don't think the policy was mis-sold."

Therefore, I wasn't minded to direct Newline to do anything further as I didn't think they'd done anything wrong.

Responses to my provisional decision

Newline accepted my provisional decision.

Mr M confirmed he didn't agree with my provisional decision. He still felt the claim should be accepted as he didn't think there was evidence he'd been negligent.

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.

I've thought carefully about the responses to my provisional decision. Having done so, while I appreciate it will come as a disappointment to Mr M, my conclusions remain the same. I'll

explain why.

Mr M made the following points to my provisional decision:

- He didn't see any warning lights on the dashboard prior to the failure.
- A stored fault code doesn't prove a warning light was visible.
- The garage didn't say he drove 2,000 miles with a warning light on.
- Newline hasn't evidenced he ignored a warning light.
- As there's no evidence, the fault should be treated as "sudden and unforeseen" and the claim shouldn't be declined under the neglect exclusion.

At no point in my provisional decision did I say the garage had reported Mr M had driven 2,000 miles with a warning light on. My understanding is that when a fault code is recorded it will result in a warning light being visible and this is a standard occurrence in modern cars. Mr M has confirmed that a warning light did come on, he disputes when the fault light occurred.

Mr M has said the warning light came on at the point of failure. There hasn't been any evidence to show a fault code was also recorded just before the failure to support Mr M's testimony. Based on my understanding, it would also be unusual for a fault code to be recorded without a warning light showing. Whilst there may have been a fault with the warning system for Mr M's car or Mr M's car works differently to a standard modern car, I've not been provided with any evidence to support this is the case. However, there is evidence that a fault was recorded over 2,000 miles before his vehicle broke down and Mr M has confirmed a warning light was showing when he took the car into the garage. I think it's most likely the fault would have resulted in a warning light being displayed. So, based on what I've seen, Mr M's response doesn't persuade me that I've come to the wrong outcome. So, I still think it's fair and reasonable for Newline to decline the claim for the reasons given in my provisional decision.

Should Mr M get further evidence about the warning system and light in his car, he can provide this to Newline and I'd expect them to consider the claim further.

I'm very sorry that my decision doesn't bring Mr M more welcome news but in all the circumstances I don't find that Newline has treated Mr M 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 Newline Insurance Company Limited to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 January 2026.

Anthony Mullins
Ombudsman