

## **The complaint**

Mr H complains about Red Sands Insurance Company (Europe) Limited's handling of his Motor Warranty claim.

All references to Red Sands also include its appointed agents.

## **What happened**

- Mr H made a claim under his warranty for damage to an alloy wheel on his vehicle.
- Red Sands informed Mr H that it could contribute £130. Mr H said his warranty set out he was covered for a maximum amount of £1,950 per year.
- Red Sands said the warranty allows a claim value of up to £130 per alloy, with a maximum of five claims per year allowed. It said over the three-year term of the agreement this would add up to the £1,950 referenced in the schedule.
- Mr H raised a complaint, but in its final response Red Sands maintained it had acted fairly and in line with the terms and conditions. Mr H subsequently brought his complaint to our service.

### *Our investigator's view*

Our investigator wasn't satisfied the terms were clear. He recommended the complaint be upheld and Red Sands pay Mr H up to the amount of £1,950 for the claim. He also recommended Red Sands pay Mr H £100 for the inconvenience caused.

Mr H accepted our investigator's view of the complaint.

However, Red Sands have not provided any response. So, the complaint has now passed to me.

## **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 agree with the conclusions reached by the investigator for these reasons:

- I've looked at the documentation provided. The Insurance Important Information Document ("IPIID") sets out there is a restriction of 5 alloy wheel claims per annum (for clarity, per annum meaning each year). It doesn't mention any specific claim values, rather directs the reader back to the schedule.
- The schedule sets out the 'cover duration' as 36 months. However next to this I can see 'cover limit' says:

*"Per Annum Claim £1,950 (x5 Alloy £130)."*

- I'm satisfied that 'per annum' is intended to mean per year. So, the schedule isn't clear that the £1,950 is the maximum claim amount allowed over the whole term of the warranty. It clearly says per year. While it also mentions £130 relating to alloys, I'm not persuaded it's clear this is a restriction on the amount it will cover.
- So, as I don't think Red Sands have made it clear, it should extend the cover to the amount of £1,950 per annum when considering the claim for Mr H's alloy.
- I also consider the compensation recommended by our investigator fairly reflects the inconvenience Red Sands actions have caused Mr H. From what has been disclosed, the alloy wheel doesn't appear to have been repaired. So, Mr H has not had benefit of the policy and the inconvenience of chasing the matter up. So, I agree it should pay Mr H £100 compensation.

So, for these reasons, I uphold this complaint.

### **Putting things right**

To put things right Red Sands should:

- Proceed to settle the claim with the maximum claim value of £1,950 per annum.
- Pay Mr H £100 compensation.
- Red Sands should do this within 28 days of us telling it Mr H's accepted my final decision. If it pays later than this it should add interest at a rate of 8% simple per year from the date of my final decision to the date it makes payment.

### **My final decision**

My final decision is that I uphold Mr H's complaint.

To put things right I direct Red Sands Insurance Company (Europe) Limited to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 April 2026.

Michael Baronti  
**Ombudsman**