DRN-6039391

The complaint

Mr B complains Financial & Legal have declined a claim he made on a motor warranty policy for a failed timing chain and subsequent damage caused. He doesn't think the exclusion for 'wear and tear' has been used to decline the claim fairly.

What happened

The details of the complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on providing my reasons for my decision.

My Provisional findings

I issued my provisional findings on 5 December 2025, in which I said I intended to uphold the complaint for the following reasons.

"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 intend to uphold the complaint for the following reasons:

- *The policy terms say it provides cover for mechanical breakdown or electrical defect of specified parts of the insured vehicle.*
- *Timing chains, timing chain tensioners (up to 80,000 miles) and camshaft sensors are confirmed as being covered by the policy. These are the parts listed by the engineer as needing replacement.*
- *Wear and tear is defined in the policy as.. "damage to components that have reached the end of their normal effective working lives because of the gradual reduction in operating performance".*
- *For Financial & Legal to rely on an exclusion in the policy it needs to provide evidence that it applies.*
- *Financial & Legal has not provided any evidence which confirms the expected lifespan of a timing chain, so it has not evidenced this part has in fact reached its expected lifespan.*
- *We see timing chains typically described to be expected to last for the lifetime of the car or have estimates of lasting around 150,000 to 200,000 miles. Mr B's car had travelled only 69,505 miles in total and only 6,405 of those since the policy was purchased. Financial & Legal has also not provided any evidence to show why the timing chain failed prematurely.*
- *Financial & Legal has not provided any evidence to suggest that negligence by Mr B played any factor in the part's failure – such as a lack of maintenance, lubrication or poor driving habits. And it has only provided commentary that it is widely reported that certain engines of the same name are known to have premature timing chain wear. However, it has not provided this Service with the source of that information or has it explained how it can directly link that to the engine that was in Mr B's car. So I'm not persuaded it has evidenced that on Mr B's model of car the expected working life expectancy would be lower than usual.*
- *All moving parts will suffer a normal amount of wear and tear, but it is only fair and reasonable to decline a claim due to wear and tear if the part has failed because it*

reached the end of its normal working life expectancy. This isn't what has happened here.

- *I'm persuaded the timing chain failed and, the point it failed to function correctly would have been sudden and unforeseen. So, I'm satisfied it is covered by the policy.*
- *I'm not satisfied Financial & Legal has demonstrated it has applied the 'wear and tear' policy term fairly and as such I don't think it can rely on it to decline the claim.*
- *Based on the above I'm persuaded that Mr B had a valid claim under the policy and Financial & Legal declined it incorrectly.*

Putting things right

To put things right I intend to direct that Financial & Legal should do the following:

Consider the claim in line with the policy terms and conditions, including any limits that apply".

Responses to my Provisional decision

Mr B responded saying he accepted my provisional decision.

Financial & Legal didn't not respond or provide anything further for me to consider.

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 reconsidered everything, I see no reason to depart from the findings I made in my provisional decision. So, for the same reasons as set out above, I find that Financial & Legal did not act fairly when declining Mr B's claim.

Putting things right

To put things right Financial & Legal should do the following:

Consider the claim in line with the policy terms and conditions, including any limits that apply.

If it finds the claim to be valid and goes on to settle it and Mr B has already paid for repairs to the car. It should reimburse him any sums due with interest added at 8% simple per year from the date he made payment, to the date any settlement is made.

My final decision

My final decision is that I uphold Mr B's complaint against Financial & Legal Insurance Company Ltd. I direct it to put things right as I have set out in the section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 January 2026.

Alison Gore
Ombudsman