

The complaint

Mr B complains that Financial & Legal Insurance Company Ltd (F&L) only partially paid out a claim on his motor warranty.

What happened

Mr B has a motor warranty policy with F&L. I was sorry to hear that Mr B had a clutch failure. He raised a claim with F&L. Whilst F&L initially declined the claim, following a complaint they made a goodwill offer to cover the part cost of the clutch. Still unhappy, Mr B brought the complaint to this service.

Our investigator didn't uphold the complaint. She thought the outcome F&L had come to was fair and reasonable. Mr B appealed. He didn't think we'd properly considered the cause of the failure, it was against safety standards to clean and reuse the dual-mass flywheel (DMF) and F&L didn't adhere to their own safety standards. As no agreement could be reached, the complaint has been passed to me to make a final decision.

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.

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 F&L acted in line with these requirements with how they've settled Mr B's claim.

Having done so, and whilst I appreciate it'll come as a disappointment to Mr B, I've reached the same outcome as our investigator.

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

As a starting point, it's important to understand what is covered by the policy. The terms and conditions set out the following:

“2. What you are covered for

The following components and associated labour costs are covered against mechanical breakdown. Components not listed below are not covered by this guarantee...

Clutch (Component cover only no labour time)

Release thrust bearings, centre plate (oil contamination – centre plate only), pressure plate, master and slave cylinders.”

Mechanical breakdown is defined as:

“the sudden and unforeseen failure of a component arising from any permanent mechanical or electrical defect (for a reason other than wear and tear, normal deterioration or negligence) causing a sudden stoppage of its function, necessitating the immediate repair or replacement of the component before normal operation can be resumed. We are not liable for any parts that have reached the end of their normal working lives because of age or usage.”

F&L declined the claim on the basis of wear and tear. Mr B's car was over 10 years old and had done over 100,000 miles. However, as they accepted there was oil contamination, F&L agreed to cover the parts cost of a new clutch. Mr B has provided us with a photo of the clutch with a manufactured year of 2022. This suggests the part itself was only 3 years old and had done significantly less mileage. Based on the evidence, I think it's most likely the cause of the failure was oil contamination and not due to wear and tear. So, I agree the claim was payable.

Whilst in some circumstances the policy will cover labour costs, for issues arising to the clutch, only the cost of the replacement parts is covered with no labour. The policy also confirms that for instances of oil contamination, only centre plates are covered.

Mr B has also said that the DMF is listed separately under the policy terms. Whilst I agree this is the case, I still don't think it would be covered in the circumstances. This is because there's no evidence to confirm the DMF met the definition of suffering from mechanical breakdown and can't just be cleaned.

Mr B doesn't think the DMF would have been able to be cleaned. He's provided documents which he says support this from the car and part manufacturer. Whilst I can appreciate Mr B's frustration, I think the policy is clear in what is covered in the event of oil contamination of a clutch. The pressure plate isn't covered in this instance by the policy. The document provided from the car manufacturer provides some details as to when a DMF can be replaced. I'm not a mechanical expert and I have to rely on expert opinion. I've got no evidence that these circumstances are relevant to Mr B's DMF. Likewise, the document from the part manufacturer provides photos of different levels of damage to DMF's. I don't have the knowledge or expertise to diagnose the damage level to Mr B's DMF. Mr B has also highlighted that this document sets out the following:

“It's not permissible to clean the DMF in a parts washing machine, or to use high-pressure cleaners, steam cleaners, compressed air or any cleaning sprays.”

Mr B says this confirms the part can't be cleaned. However, I disagree. This confirms how the part shouldn't be cleaned; it doesn't state the parts can't be cleaned. This suggests that it is possible to clean a DMF if done correctly. F&L have provided two different statements from garages which state it's acceptable and common practice to clean a DMF in certain circumstances.

F&L have offered Mr B the cost for a new clutch kit. This includes a pressure plate, so, F&L's offer goes above the level required for the policy.

I'm very sorry that my decision doesn't bring Mr B more welcome news. But in all the circumstances I don't find that Mr B has treated Mr B unfairly, unreasonably, or contrary to the policy terms and conditions in how they've settled 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 Financial & Legal Insurance Company Ltd to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 March 2026.

Anthony Mullins
Ombudsman