

complaint

Mr P complains that Amtrust International Underwriters Ltd didn't pay the full cost of repairs when he made a claim on his motor warranty.

background

When Mr P's car developed a fault he took it to the garage where he'd bought the car and the warranty ("Garage WC"). The warranty was administered by "Firm W" but underwritten by Amtrust. Garage WC couldn't fix the problem so it sent the car to a dealership garage. The dealership garage billed Firm W and then Mr P for the work. He paid it but wanted Amtrust to reimburse him in full. Firm W said the warranty only covered part of the cost of repairs. There was a set labour charge and a limitation on the hours worked.

Mr P said Garage WC was one of Firm W's approved repairers and was acting as Firm W's agent. As such Firm W should cover all the costs run up by Garage WC in sending the car to the dealership garage. Firm W said Garage WC *wasn't* one of its approved repairers. Amtrust paid only part of the bill, in line with the warranty's terms and limitations.

Our adjudicator thought what Firm W had said was correct so Amtrust wasn't responsible for the rest of the bill. Mr P disagreed, so the complaint was passed to me for review.

my findings

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

Mr P had an enhanced level of cover under the warranty, but limitations still applied. The policy says to make a claim a consumer should contact Firm W first. It will advise which local garages are on its approved repairer list. Should a consumer want to use another garage, Firm W will agree costs with them at the same rate that applies to its network of approved repairers. The policy states any excess charges will be the responsibility of the consumer.

I think the limitations in this warranty are typical of many others. Mr P didn't contact Firm W but took the car to Garage WC. Firm W would have been willing to pay Garage WC at the rate it paid other garages. Garage WC told Mr P the car was being taken to a dealership garage. It said it would liaise with Firm W when it knew what the problem was. But it seems it then told the dealership garage to liaise with Firm W instead. That doesn't seem to have been done properly. When the work was done the bill was higher than the warranty allowed.

Mr P doubts that Firm W has a panel of approved repairers. He says Firm W will pay any garage as long as its rates are acceptable. He also says if Garage WC isn't approved it was acting as Firm W's agent, therefore Amtrust is responsible for the whole bill anyway. I don't think Mr P has any basis for suggesting Firm W doesn't have a list of garages with which it has special arrangements. It's common across the industry for businesses to have a panel of repairers they refer consumers to when asked. Garage WC said it *assumed* it was an approved repairer because it repairs cars under Firm W's warranty. But numerous other non-panel garages no doubt do the same.

I don't think that's the main point anyway. Whether Garage WC was an authorised repairer or not, the limitations in the warranty would still apply. And I don't think there's any basis for

suggesting that Garage WC was acting as Firm W's agent. The only connection between Garage WC and Firm W seems to be that Garage WC sold Firm W's warranty to Mr P.

Mr P has expressed concern about the warranty's specific limitations, especially in relation to the one hour it allows for diagnosis. It wasn't clear in this case what part of the work fell under diagnosis. What seems fairly certain is that it took at least an hour. Amtrust paid around half the bill. That represents the maximum it would have paid one of Firm W's approved repairers, based on the fixed rate it set out in advance. I think that's fair.

Mr P says it's likely that the car would always have had to be referred on to the dealership garage. We can't say for sure, but I agree that's likely in this case, as the problem seems to have been complex. Dealership garages normally charge more than non-dealership ones, and they don't usually negotiate costs in the way other garages might. The warranty doesn't say it will cover *all* necessary repair costs. Had Firm W been consulted, and the car sent to an approved garage first, if it was referred on Mr P was always likely to have been faced with a bill for excess charges.

I think Firm W acted reasonably in this case. Amtrust has paid the charges Mr P incurred for the repairs on his car in line with the warranty's terms and conditions. I don't think there's any basis on which I can uphold Mr P's complaint.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 April 2016.

Susan Ewins
ombudsman