

The complaint

Mr R complains Red Sands Insurance Company (Europe) Limited unfairly declined a claim on his mechanical breakdown warranty policy.

The policy is administered on Red Sands' behalf but, for ease, I'll refer to Red Sands throughout this decision.

What happened

Mr R bought a motor warranty to start in January 2022. The warranty is designed to cover the mechanical and electrical components of the car against sudden failure.

On 11 April 2023, Mr R claimed when he noticed oil within the wheels of the car. Mr R's car was booked in for an inspection with an authorised repairer on 19 April 2023. The repair centre diagnosed the fault as "*n/s/f cv gaiter split and leaking grease*".

Red Sands reviewed the diagnostic report and declined the claim. It said the Constant Velocity (CV) joint gaiter (also known as a CV boot) isn't a mechanical part and therefore not covered under Mr R's policy.

Mr R disagreed and brought his complaint to this service. He accepts the CV gaiter isn't an electrical part. But he says, because it isn't cosmetic or software related either, it must be a mechanical part. And the warranty information displayed on the seller's website led him to believe this would be covered. Also, he feels Red Sands should've told him it wouldn't be covered when he first reported the claim as he had a wasted trip to the approved repairer.

Our Investigator thought Red Sands acted reasonably in declining Mr R's claim. They said the warranty wording is clear. And, although the CV gaiter isn't specifically listed as an excluded part, this was because it isn't a mechanical or electrical part. They also thought Red Sands was reasonable to refer Mr R to an approved repairer before declining the claim.

Mr R disagreed. As the matter remains unresolved, it now falls to me to decide.

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 have reached the same overall conclusions as the Investigator, and for broadly the same reasons.

Mr R's warranty isn't a maintenance contract, so it's not intended to cover 'on the go' repairs. The terms explain the warranty specifically covers the following.

'all mechanical and electrical parts (including labour costs to fit them) against mechanical breakdown. It includes wear and tear for vehicles up to 6 years or 60,000

miles at time of claim. Mechanical breakdown is the failure of a part, causing it to suddenly stop working’.

‘mechanical breakdown’ is defined as ‘the failure of a mechanical or electrical component, causing a sudden stoppage of its function, for a reason other than deterioration or negligence...’

There are two tests which must be considered for a successful claim. Firstly, the failed component must be either electrical or mechanical in nature. Secondly, the failure of such an electrical or mechanical component must have been caused by a *‘mechanical breakdown’*, as defined in the terms. It follows where a part isn’t a mechanical component, it can’t suffer mechanical breakdown.

I can see Mr R has said because the CV gaiter isn’t an electrical, cosmetic, or software-related component, it must be a mechanical part. But he hasn’t sent this service any persuasive evidence in support of this.

Given what I know of the part, I’m satisfied the CV gaiter isn’t a mechanical part. I say this because the CV gaiter is a flexible rubber covering used to extend the life of a CV joint. Its primary function is to protect the CV joint by acting as a dust cover to keep out residue and keep in the grease that lubricates the CV joint.

Whilst the CV gaiter plays an integral part in prolonging the lifespan of the CV joint, it isn’t part of the CV joint mechanism itself. It’s a separate part to the CV joint and can be replaced separately to it. The authorised repairer reported the nearside front CV gaiter as *‘split’*. And I’m not persuaded the splitting of a rubber covering can be considered a mechanical failure.

Taking everything into account, I don’t think Red Sands have acted unfairly in saying the CV gaiter isn’t a mechanical part. It follows Red Sands isn’t responsible for its replacement under the terms of this mechanical breakdown warranty.

I understand Mr R is frustrated with the way Red Sands dealt with his claim. He feels it wasted his time by not telling him sooner it wouldn’t be covered. But I wouldn’t expect Red Sands to decline a claim without being clear about the cause of the problem to decide whether it was covered by the warranty terms. Given some parts of the CV joint may be covered under the policy, I don’t think it would’ve been reasonable for Red Sands to have concluded the fault was only with the CV gaiter and wouldn’t be covered after just the initial call with Mr R.

I note Mr R says the CV gaiter isn’t specifically listed as an exception in his policy when it is listed as an exception on another policy available from the same seller. However, if a component is neither electrical nor mechanical, I wouldn’t expect it to be mentioned in a list of mechanical and electrical parts not covered. I also note the policy Mr R refers to is one which covers only specified parts and so it’s direct reference to the CV gaiter being excluded doesn’t mean it’s included in the policy Mr R has.

I appreciate Mr R believes the website setting out the details of the policy isn’t clear enough. But this isn’t something I can consider in this complaint because Red Sands is the underwriter of the policy. The warranty was sold to Mr R by a different party. If he’s unhappy with how it was sold to him, he’ll need to raise it with the seller in the first instance and give it the opportunity to investigate his complaint.

Whilst I’m sorry for any disappointment my decision might bring, for the reasons explained, I’m satisfied the CV gaiter is not a mechanical component. It follows Red Sands made a fair and reasonable decision when declining Mr R’s claim for the replacement of it under the

terms of his mechanical breakdown policy.

My final decision

For the reasons given above, I don't uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 1 August 2023.

Rebecca Ellis
Ombudsman