

The complaint

Mr D complains that Ford Retail Limited (trading as TrustFord) (TrustFord) mis-sold him a number of additional warranties when he bought a car from it.

What happened

Mr D bought a car from TrustFord in January 2020. TrustFord also sold Mr D a number of additional warranties – extended mechanical breakdown cover, key cover, wheel and tyre insurance and cosmetic cover.

Mr D says the only “extra” he discussed with TrustFord at the time was a service plan, which he says he didn’t go ahead with. So Mr D says TrustFord sold him the warranties without his knowledge or agreement. He says he was in TrustFord’s showroom for nearly six hours and felt pressured into signing many documents without fully checking their contents. Mr D also says he’d never bought extended warranties in the past with other cars.

The investigator who looked at Mr D’s complaint didn’t uphold it. He thought TrustFord had assessed Mr D’s needs and sent him information so he could make an informed decision about whether he wanted the warranties. And he said Mr D could cancel them if he no longer wanted or needed them.

Mr D disagrees and has asked for an ombudsman to consider his complaint. He says he never received any documents about the warranties and so couldn’t cancel things he didn’t know about.

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’ve decided not to uphold Mr D’s complaint. I’ll explain why.

I think TrustFord recommended the warranties to Mr D. That means it had to make sure they were right for Mr D. TrustFord also had to give Mr D enough clear information about the warranties for him to be able to make an informed decision about whether he wanted them.

Mr D says he didn’t know he’d bought the warranties, essentially because he was in a sales environment where he didn’t have the opportunity to look at all the documents he signed.

TrustFord says during the sales process a demands and needs document was completed for Mr D. It says the products it recommended were suitable for him based on his responses to the questions in that document.

Where, as in Mr D’s case, there’s a dispute about what happened, I must assess the available evidence to decide what, on balance, I think is most likely to have happened.

I can see that, on 11 January 2020, TrustFord completed a draft of a demands and needs document for Mr D. This is an eight page document, with lots of information in it. But it does clearly show that six extra warranties have been “*selected for consideration*” and it shows the price and duration of each of them. One of the insurance products this document shows has been “*selected for consideration*” is an asset protection warranty. In relation to this product, the demands and needs document says:

“Should you decide to purchase ... Asset Protection insurance we will not be able to conclude the contract until the 14th January 2020 or on the 12th January 2020 if expressly required by you and subject to obtaining your Confirmation”.

Also on 11 January 2020, TrustFord gave Mr D an order form for his car, which he signed, which itemises five extra warranties, each with a price separately listed. It doesn’t include an asset protection warranty.

I can also see that, two weeks later, on 24 January 2020, TrustFord completed a final demands and needs document for Mr D. This document has a section headed “*Which products did you purchase?*” which lists six warranties (so it includes asset protection). It also still contains the wording I’ve quoted about “*Should you decide to purchase ...Asset Protection*” Mr D has signed this document.

Finally, on 25 January 2020, TrustFord and Mr D both signed an invoice for the new car. The invoice itemises five extra warranties, each showing the same price as was listed in the order form of 11 January. As with the order form, this doesn’t include an asset protection warranty.

From all of this, I think it’s likely TrustFord discussed Mr D’s insurance needs with him at the time. And, from looking at the documents I’ve got, I think it’s likely Mr D decided to buy five out of the six warranties TrustFord recommended. I also think it’s likely the final demands and needs document referred to Mr D having bought all six warranties because TrustFord didn’t properly amend it to reflect Mr D’s decision not to buy the asset protection warranty.

There was a gap of about two weeks from when Mr D ordered the car to when he took delivery of it. So I think Mr D had time to look at the order form he’d signed on 11 January and, if he wasn’t happy about the extra warranties it included – or didn’t know what they were – I’d have expected him to query this with TrustFord. I’ve seen no evidence Mr D did this.

I don’t doubt Mr D has given us his honest recollections of what happened back in 2020. But I’m also conscious memories can fade. Having looked at the documentary evidence I have, Mr D’s recollections on their own aren’t persuasive enough to make me think it’s likely TrustFord put undue pressure on him to buy the additional warranties or added them to his order without his knowledge or agreement.

It also looks to me that TrustFord gave Mr D clear enough information about the cover the warranties gave and about their cost and duration for him to be able to make an informed decision about whether he wanted them. And I’ve seen nothing to suggest they were unsuitable for him.

I’ve considered all of Mr D’s comments on this complaint but they don’t change my conclusion that, on balance, TrustFord didn’t mis-sell the warranties.

I know Mr D is also unhappy that TrustFord also sold him a paint protection product. But this isn’t an insurance product and so, under the rules of our service, I can’t look at Mr D’s complaint about its sale.

My final decision

For the reasons I've given I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 October 2023.

Jane Gallacher
Ombudsman