

The complaint

Mr A complains that Bapchild Motoring World (Kent) Limited trading as Big Motoring World unfairly declined a claim he made on his motor warranty.

What happened

Mr A holds a motor warranty with Bapchild. When his car broke down, he took it to a garage to see what needed to be done to fix it. The garage said a new engine was needed. So, Mr A put in a claim for the engine to Bapchild.

Bapchild declined Mr A's claim. It said the damage had occurred over time and was a result of wear and tear, which it said wasn't covered by the policy.

Mr A didn't think this was fair and complained to Bapchild. He said he'd had no signs the car was about to break down and didn't think it was fair Bapchild said the issue was caused by wear and tear because of his car's mileage and length of ownership.

But, Bapchild didn't change its stance, so, Mr A brought his complaint to us.

Our Investigator recommended Mr A's complaint be upheld. He thought that Bapchild hadn't done enough to show it was fair to rely on the wear and tear exclusion in his policy, because it hadn't shown the part had failed at the end of its reasonably expected working life. He recommended Bapchild pay Mr A the cost of replacing his engine (£12,578.02) and the diagnostic/stripping cost (£1,576.20). He thought Bapchild should pay 8% simple interest on these payments too. And he thought Bapchild should pay Mr A £200 compensation for the distress and inconvenience.

Mr A agreed with our Investigator's findings. Bapchild didn't and asked for an Ombudsman's decision. It maintained the fault was caused by wear and tear, and so was excluded from the policy.

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'm upholding it, I'll explain why.

- Mr A's warranty with Bapchild says he's not covered for any fault caused by wear and tear. And it defines wear as *"Damage or deterioration which has occurred as the result of repeated usage cycles and has not developed suddenly within the vehicles last journey."*
- Bapchild thinks this exclusion applies because an engineer has deemed the fault to be caused by excessive carbon build up on a component. It said the repairer had shown there was a pressure sensor fault too, indicating the fault did not occur suddenly within the vehicle's last journey.

- But, as our Investigator has explained, in order to fairly rely on a wear and tear clause in a warranty, we think the insurer, in this case Bapchild, needs to show the part has failed at the end of its reasonable working life. There are multiple moving parts in car and engines, and most of these moving parts will, over time, wear and eventually break. But there's a difference between something wearing and breaking as part of its usual working life, and something breaking through wear, earlier than expected, or as a result of something else causing it to wear quicker.
- Here, it's not in question that the component has failed due to carbon build up, but considering the age and mileage of the car, I don't think Bapchild has shown that on the balance of probabilities, the part has failed around the age and mileage it would reasonably have been expected to fail at. I appreciate it's said that the part has been superseded by the manufacturer. But it's not provided details as to why the part was superseded. And it hasn't shown how long the superseded part would reasonably be expected to last. What's more, if the part had failed at the end of its reasonably expected working life, Bapchild hasn't adequately explained why the excessive carbon build up wasn't comparable on the car's other cylinders.
- I take on board the comments relating to the sensor, but from the reports, it seems in dispute as to whether this sensor failing was what caused the carbon build up. And I've not seen anything to show Mr A was aware of this sensor fault prior to his car needing to be repaired.
- So, on that basis, I don't find it fair that Bapchild rely on the wear and tear clause in the policy. Therefore, it should pay Mr A's claim. It should also pay the costs associated with dismantling Mr A's car. The policy says these are covered for valid claims, and as set out above, I'm satisfied this claim is valid.
- I understand Bapchild thinks the costs Mr A has incurred are inflated. But I'm satisfied that's what he paid to fix the car. Mr A didn't know at that stage whether or not his claim would be paid, in fact it looked like it wasn't because Bapchild had declined it. I see no reason why Mr A would have paid more than he needed to. I don't find it reasonable for Bapchild to limit any payment to what it would have cost them. It declined his claim, and so at that point lost control of the cost of it.
- Having the claim declined and having to source and pay for the repairs yourself would be distressing. Bapchild should pay Mr A £200 compensation to reflect this.

My final decision

My final decision is that I uphold this complaint. To put things right Bapchild Motoring World (Kent) Limited trading as Big Motoring World needs to:

- Pay Mr A £12,578.02 for the replacement engine. 8% simple interest should be added to this payment. Interest should be calculated from the date Mr A paid the invoice, to the date Bapchild pay him.
- Pay Mr A £1,576.20 for the dismantling and diagnostics charges. 8% simple interest should be added to this payment. Interest should be calculated from the date Mr A paid the invoice, to the date Bapchild pay him.
- Pay Mr A £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 10 November 2023.

Joe Thornley
Ombudsman