

The complaint

Mr A complains Fortegra Europe Insurance Company Ltd unfairly declined his motor warranty claim.

What happened

In late December 2022 Mr A took out a Fortegra motor warranty. Around 22 days later he made a claim for a repair estimated at around £3,500. Fortegra sent an engineer to inspect the vehicle. Having done so it declined the claim. It referred to a term in the warranty denying liability for defects that likely existed before its inception. It considered the defect, subject of the repair claimed for, to have been present at the start of the policy.

Mr A complained about the decline. In response Fortegra maintained its position that the defect had likely existed before the start of the warranty. So it continued to decline the claim. Mr A wasn't satisfied so came to this service. To resolve his complaint he would like Fortegra to reimburse him what he paid for the repair. He also wants it to compensate him for loss of use during repair and for inconvenience he's been caused.

Our Investigator considered the complaint. She wasn't persuaded by the evidence that the damage had happened after the cover had begun. She felt Fortegra's decision to decline the claim was made in line with the terms of Mr A's cover. So she didn't recommend it settle the claim or do anything differently. Mr A didn't accept that outcome, so the complaint was passed 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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr A and Fortegra have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything provided.

When declining Mr A's claim Fortegra referred to a term in his warranty: '*We will not accept liability for: A defect which is likely to have existed before the start of this warranty.*' I've considered if it's reasonable for Fortegra to rely on this to decline the claim. To do so I've considered, amongst other factors, the technical reports on the vehicle and Mr A's and Fortegra's comments. Having done so I'm persuaded the defect did likely exist before the start of the warranty. So the decision to decline the claim is fair and reasonable – and in line with the policy terms.

Mr A said the defect occurred around 22 days after the policy inception and after about 1,400 miles. He's provided a report from his garage. It inspected the car a few days after the claim was made. It explains the transfer box output shaft is leaking oil and has movement. It says it would be impossible to determine when the defect occurred. It adds when the garage carried out the inspection the oil leak looked to be fresh.

Fortegra's engineer has also provided a report. He inspected the car a week or so after C's garage – but at the same mileage. He also states the transfer box output shaft was leaking oil. However, notes the oil residue was heavily contaminated with road grime. The engineer was of the opinion this confirms the defect had been ongoing for thousands of miles. He also felt a reported noise will have been caused by internal damage and was taking place due to the leakage of oil. He concludes that as there was only 22 days since inception the defect was present at that time.

I've considered Mr A's points about his garage finding the oil to be fresh. I've considered the available photos and oil colour examples as he requested. I've also taken into account the possible impact of the time between the two inspections. But I find Fortegra's report and conclusion to be more persuasive – considering its detail, explanation and the listed qualifications and experience of its author. Mr A's report doesn't directly support the defect happening after the policy started – it simply says it's impossible to know when. Ultimately, considering the time and mileage between inception and the claim Fortegra has reasonably concluded that the defect existed before Mr A's cover began.

My final decision

For the reasons given above, I don't require Fortegra Europe Insurance Company Ltd to pay Mr A's claim or to do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 November 2023.

Daniel Martin
Ombudsman