



'Read car warranty terms in full', urges The Motor Ombudsman

Published: October 11, 2022

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Online version: <https://www.wheels-alive.co.uk/read-car-warranty-terms-in-full-urges-the-motor-ombudsman/>



The Motor Ombudsman advises people to read vehicle warranty terms and conditions in full, as the majority admit to just 'skim-reading' them...

The Motor Ombudsman tells us:



- More than half (51%) of UK driving licence holders who would buy an extended warranty for a used car said they would opt to skim-read accompanying terms and conditions, rather than reviewing them in full (42%)
- Only 57% of those who said they would skim-read the small print said they were aware that a claim may not be successful in relation to wear and tear items, or if a car was repaired without authorisation from their chosen warranty provider



- The level of coverage provided for the price paid, the range of services on offer, and the duration of the agreement, emerged as the top three most influential factors for consumers if they were to buy an extended warranty agreement

- Around 70% of extended warranty providers in the UK are accredited to The Motor Ombudsman's CTSI-approved Vehicle Warranty Products Code

London, 11 October 2022
The Motor Ombudsman has commissioned an online YouGov study of over 500 UK driving licence holders who would purchase an extended warranty to cover the cost of repairs resulting from mechanical or electrical failures, if they were to buy a used car.

The research by the Ombudsman for the UK's automotive sector, revealed that the majority (51%) of those polled would merely skim-read any accompanying terms and conditions to get a basic understanding of the components that may be claimed for in the event of failure, as well as the definition of key policy terminology and exclusions. Those aged between 25 and 34 years of age emerged as the most likely to adopt this approach (61%), according to the survey. In contrast, a smaller proportion (42%) of the prospective warranty holders stated they would review the accompanying terms and conditions in their entirety, to fully understand the contents of the agreement before signing it. A minority (5%) would not review the terms and conditions at all for an extended warranty.

When asked about their awareness of the key factors that could prevent them from making a successful warranty claim, the findings showed that only 57% of those who would read skim-read the paperwork were aware that a business may not pay out for the replacement of wear and tear items, such as brakes and tyres. An identical proportion was also familiar with the fact that getting a car repaired without prior authorisation from the warranty provider may see an application turned down.



Similarly, out of these same people who admitted that they would only skim read any terms and conditions, just half stated they knew that issues arising from the use of the wrong or contaminated fuel when filling up could equally invalidate a request to have repair costs covered under warranty. Similarly, 50% were also aware that claiming for the repair or replacement of parts that are not specifically listed by the policy may not result in a successful outcome. Furthermore, less than half (47%) recognised that having an incomplete service history as per the vehicle manufacturer's recommended intervals could equally see a claim rejected by the warranty provider.

In addition, the same respondents were least aware that a claim could be declined if failures had occurred due to external causes, such as a road accident or the weather (36%), or if repairs were conducted in association with a vehicle manufacturer recall. Around 10% explained that they were not aware of any factors that could hamper a successful claim, reinforcing the importance of consumers making it a priority to fully understand the coverage and exclusions of the extended warranty policy they are signing up to.



In addition, the research highlighted that, out of all of the 522 respondents who would look to purchase an extended warranty for a used car, 57% explained that that level of coverage offered by the policy for the price quoted would be amongst their top three most influential criteria when choosing a policy that was right for them. In comparison, 46% said that the range of services that came with the warranty policy, such as roadside assistance and MOT test failure insurance, would be a determining factor, with the duration of the agreement for the cost quoted also ranking highly for 39% of respondents when listing their top three purchase criteria.

Bill Fennell, Chief Ombudsman and Managing Director of the Motor Ombudsman, said: “Terms and conditions accompanying any kind of agreement are a vital piece of information, and a less than thorough read raises the risk of consumers missing crucial details, and ultimately accepting a product that may not meet their expectations. Motorists not fully understanding their policy and the level of cover provided, may find that, when they come to make a claim, some items are not covered under the warranty, leading to additional expense.”

Bill added: “As with any purchase, we urge consumers to spend the time reading the small print and to ask any questions to the provider of the policy before agreeing to proceed with the agreement, and signing the contract.”

For more information on The Motor Ombudsman’s Motor Industry Code of Practice for Vehicle Warranty Products, visit [vehicle-warranty-products-code](#).
