

The complaint

Miss B complains Admiral Insurance (Gibraltar) Limited unfairly refused to assist her when her vehicle had a breakdown.

At points during the claim and complaint Admiral's been represented by an agent. For simplicity I've referred to the agent's actions as being Admiral's own.

What happened

In June 2023 Miss B took out an Admiral breakdown policy with European cover– alongside a motor insurance policy. Later the same month her vehicle experienced a breakdown when outside of the UK. She called Admiral for assistance under her European breakdown cover. However, the request was declined.

Miss B complained about the decision. In response Admiral said as she had purchased the vehicle and set up the cover whilst the vehicle was abroad, she wasn't entitled to assistance. She wasn't satisfied, so came to this service as she felt there was nothing in the policy terms to exclude journeys beginning outside the UK. She wants Admiral to reimburse her £1,500 recovery and other costs she incurred.

Our Investigator didn't find Admiral had acted unfairly, by relying on the exclusion, to decline the claim. She said she wouldn't expect Admiral's adviser to have read out the term during a sales call. So she didn't recommend it do anything differently. Miss B 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.

Admiral's referred to a policy exclusion to explain its decline of the claim. This says the policy does not cover 'Any vehicles not located within territorial limits (UK) when cover is purchased and commences'.

It's accepted that the vehicle was outside the UK when the policy was purchased and commenced. So the claim was declined in line with the policy terms.

Miss B's said had the exclusion been pointed out to her during the sale she wouldn't have taken out the cover. Miss C's policy was taken out online, so it was likely an information only sale. In those circumstances firms selling insurance are required to provide clear, fair and not misleading information. They should highlight any unusual, onerous or significant terms. That's so the customer can make an informed decision about the cover they are considering buying.

I haven't seen that the exclusion was highlighted to Miss B when arranging the policy. However, I can't say Admiral did anything wrong by not doing so. That's because, in the circumstances, I wouldn't consider it an unusual, onerous or significant term. The term was

set out in the full breakdown cover terms she was provided with. The introduction to that document does explain that the policy doesn't cover all situations and advises that the terms should be read to make sure it meets her needs.

I've listened to a call Miss B had with Admiral after purchasing the policy. She wanted to change the start date of her motor insurance policy. The European Breakdown cover was referred to. Miss B asked if it included breakdown at the home address. But she didn't say anything, for example explaining the location of the vehicle, that should reasonably have resulted in Admiral explaining the exclusion to her.

I accept my decision will probably be disappointing for Miss B. But for the reasons given above I can't say Admiral unfairly declined her request for assistance or mis-sold her the breakdown cover.

Finally I can see Miss B wasn't provided with a clear explanation for why the claim had been declined. Admiral didn't provide one until her complaint reached this service. I can understand why that will have been frustrating for Miss B. But I'm satisfied she didn't lose out financially as a result. Neither was the impact on her so significant that compensation would be appropriate.

My final decision

For the reasons given above, I don't uphold Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 22 February 2024.

Daniel Martin
Ombudsman