

The complaint

Mrs R complains that Admiral Insurance (Gibraltar) Limited provided misinformation to her about her motor insurance policy excess. Reference to Mrs R may include the named driver.

What happened

Mrs R says that following an incident in which her car was damaged, the third party accepted fault. Mrs R told Admiral that when claiming, and she says they told no excess would be applied – if she agreed to claim through an associated company, which she did.

However, when Mrs R collected her car from the garage, she was asked to pay the excess. Mrs R says Admiral should stick to their word and refund the excess, because she was told it wouldn't be payable.

An investigator here looked into the matter. They said that Admiral didn't need to do anything further. Mrs R didn't agree. She says it is unfair and that if she'd been told from the start that an excess would've been payable, she'd have tried to go through the third party insurer instead. She feels she was denied that opportunity and therefore Admiral's position is unfair.

Agreement couldn't be reached so the case was referred to me. I reached largely the same conclusions as the investigator. In short, that while Admiral could have given clearer information the correct position was in fact that the excess was payable. Mrs R didn't agree, and asked for a final decision to be made.

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.

I'm sorry to disappoint Mrs R, but I maintain my view that Admiral does not have to refund the excess. The starting point for cases like this will be whether or not the policy allows for an excess to be charged. Mrs R's policy says:

“Excess *The amount **you** must pay towards any claim. **Your excess** details are shown on **your** Policy Schedule.”*

I consider that to be unambiguous, and would add that the amount charged to Mrs R was shown on her policy schedule. So, on the face of things the excess was payable. That said, I'm also aware that in May 2023 Admiral wrote to Mrs R and said: *“Your No Claim Bonus has not been affected and your excess is not payable unless you are advised otherwise”*.

The above statement isn't absolute. It still allows for an excess to be charged, Mrs R just needs to be advised as such. So, even if advance clarification wasn't given – i.e. before completion of repairs – Mrs R was advised otherwise, when the garage told her an excess would be due upon collection of her car.

The next thing to be mindful of is whether Mrs R's position has been prejudiced, i.e. did she act upon misinformation to her detriment. During the call Mrs R was advised that claiming

through the associated company they'd have a better courtesy car as well as not having to pay the excess. But that wasn't guaranteed, and when it was discussed a second time, the following day, Mrs R said the associated company had directed her back to Admiral.

So, thinking about prejudice, would Mrs R have acted any differently if she'd been given clearer information. I think it's more likely than not she would still have made the claim through Admiral, after all she wanted her car to be repaired and that's simply the natural order of things when a claim is made. While Admiral could've said, during the second call, that the claim going through them meant the excess was now payable I don't think in not doing so they have prejudiced Mrs R's position.

Just because Mrs R was left thinking from the first call that there would be no excess payable doesn't mean that can't change. It did change, option two had fallen away, the garage confirmed an excess was payable, and Admiral confirmed the same in their final response letter. I can't just uphold a case because something could've been a little clearer.

And we have to accept that will sometimes be the case. That's why we go on to consider prejudice. In this case, even though Admiral could've been a little clearer in the second call that information has since been clarified. And I don't think Mrs R is in a worse place now than if Admiral had been clearer. Indeed, the option of using the associated company had fallen away, and so it all reverted back to claiming through Admiral and paying an excess.

I know Mrs R has suggested she could have claimed through the third party insurer directly, and relied upon the admission of liability. But, in my experience, what someone says at the scene of an incident doesn't hold much weight. I think it is more likely than not the third party insurer would have defended their insured when it came to that stage. Furthermore, Mrs R isn't the customer on the third party policy and so I think they'd have simply referred her back to putting claim through Admiral anyway.

Overall, it could be argued that Mrs R ought to have been given additional clarity on the second phone call. But, the process had been previously explained so I'm not persuaded it was the cause of her having to pay the excess, nor that her position was prejudiced.

My final decision

It is my final decision that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 18 March 2024.

Will Weston
Ombudsman