

The complaint

Mr C complains that Admiral Insurance (Gibraltar) Limited wouldn't repair all the damage caused to his car when he made a claim on his motor insurance policy and that it asked him to pay his policy excess when the accident wasn't his fault.

What happened

Mr C was involved in an accident with a uninsured driver. Admiral said it would cover his claim under its uninsured driver promise. But it wouldn't cover the repairs of a modification, a body wrap, even though Mr C had disclosed this when he took out his policy. Mr C thought this was unfair as the exclusion from cover was buried in the policy booklet.

Admiral later agreed that it should have waived Mr C's £900 policy excess, and it paid him £100 compensation for this error. But Mr C thought his car should be restored to its pre-accident condition.

Our Investigator didn't recommend that the complaint should be upheld. He thought the policy's terms and conditions clearly excluded modifications. He thought this was standard industry practice. And so he thought Admiral wasn't responsible for repairing the wrap. He thought Admiral's compensation for its error with the policy excess exceeded what we would expect. So he thought it didn't need to do anything further.

Mr C replied that he thought Admiral was responsible for the repair of the wrap as the exclusion wasn't made clear to him at the point of sale.

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 can understand that Mr C feels frustrated that Admiral has declined to pay for all the repairs to his car. And I can see that restoring his car fully will cost him a significant sum.

Mr C was involved in a non-fault accident with an uninsured driver and Admiral wasn't able to recover its outlay. So it dealt with the claim under its uninsured driver promise. As part of this promise, Admiral said the policy excess should have been waived.

But Admiral asked Mr C to pay his policy excess. It corrected this when Mr C complained. But I think he shouldn't have had to do this. And I think Admiral's payment of £100 compensation for its error fairly reflects the impact the error had.

The crux of Mr C's complaint is that Admiral said the modification to the car was excluded from cover. I can see that the modification is stated on his Motor Policy Schedule. But disclosure of modifications is a requirement in most policies so that the insurer can rate the risks it is undertaking in offering cover. It doesn't mean that Admiral has agreed to cover the modification in the case of damage or loss.

Admiral relied upon the following exclusion from cover set out in the policy booklet on page 14:

"Section 2: Damage to your vehicle

5. *We will not pay:*

8. *To replace or repair any modifications. Please read in conjunction with General Condition 12."*

And on page 29:

"12. Standard parts replacement

Your policy does not cover modifications.

If you make a claim for loss or damage to your vehicle, provided it is economical to do so, we will only pay the cost of replacing parts needed to meet the manufacturer's specification along with any optional extras and/or disability adaptations."

I think this is a common exclusion in motor insurance policies, and I do not find it unusual or unreasonable. But it is significant, and I would expect it to be set out in the policy wording, which it is, and also in the summary or Key Facts document. And I can see that page one of the Insurance Product Information Document (IPID) states:

"We won't pay for

Modifications: Unless the modifications are due to a disability."

So I think Admiral has clearly set out the policy exclusion sufficiently to bring it to the consumer's attention. From what I can see, the policy documents were made available to Mr C when he took out his policy. Some were provided to Mr C, and he was directed to Admiral's website for his policy booklet. I think it was for Mr C to read these and check that the policy met his needs.

So I'm satisfied that Admiral has provided clear and not misleading information about the exclusion. And I think it can fairly rely on the exclusion when dealing with Mr C's claim. So I can't reasonably require it to cover the repairs of the wrap. And I don't require Admiral to do anything further.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 December 2024.

Phillip Berechree
Ombudsman