

The complaint

Mrs S has complained about her car insurer Admiral Insurance Company Limited because, when she contacted it about an accident she'd been in, it referred her to an external hire car company.

What happened

Mrs S called Admiral to tell it that she'd been involved in an accident. The other insurer had offered to assist her, the other driver having accepted liability, but she wanted to use her own insurer. She told Admiral she was concerned as she had a trip booked which she would need her car for, or at least one of a similar size. The Admiral advisor told her that it works alongside a car hire company and Mrs S agreed to be referred to them for provision of a hire car (of a similar size to hers).

A car was provided, but Mrs S later became aware that this was a separate company to Admiral and that the hire car wasn't being provided as part of her car insurance policy. She became aware that she might face costs and she then had to assist the hire car company in taking the other insurer to court to recover its outlay. She felt Admiral had misled her during the call in which it referred her to the hire car company.

Admiral said it had done nothing wrong. It said it had been open with Mrs S and used a script during its call with her which had been approved by the regulator. Mrs S complained to this service.

Our investigator listened to the call between Admiral and Mrs S. He felt that the conversation had not been that clear. He said that it had clearly been important to Mrs S to use the services of her own insurer. But he noted that nothing the advisor had said to Mrs S had made it clear that the hire car company was separate to Admiral and its services did not fall under the provision of her insurance policy. He felt if things had been explained clearly to Mrs S she'd have been able to make an informed decision about using the hire car company, which would have avoided her worry and confusion she'd experienced when everything had eventually come to light. He said it should pay Mrs S £200 compensation.

Admiral said it felt the call had been clear. It said it had even referred to the "*company*" providing the hire car service. It also noted that Mrs S had said she wanted to use the "*quickest*" service. So it didn't think it was that important to her to use Admiral. Our investigator told Admiral that didn't change his view and explained why.

Mrs S said that whilst the compensation was welcome, she really had hoped we would make Admiral change its processes. Our investigator explained that isn't something we can do – that our role is to assess the individual complaint before us.

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, like our investigator, think Admiral didn't treat Mrs S fairly on this occasion. I know Admiral thinks it has done enough as it has sought approval of the script its advisors use on these calls from the regulator. But I think that applying an overarching approach like that fails to deal with its policyholders as individuals with individual needs that, reasonably, need to be responded to.

I've listened to the call Mrs S had with Admiral. I think, from an experienced perspective, the overall information Admiral gave was correct. But, taking my expert hat off and listening to the conversation from Mrs S's perspective, I think she was led to believe that the car hire company was an extension of Admiral's services. I don't think it's relevant, as Admiral has said, that it told her this was a different company to it. As our investigator explained, it isn't unusual for an insurer to utilise the services of third-party companies in providing the cover given by its policy. That wasn't enough, in my view, to alert Mrs S to the fact that the car hire wasn't being provided as part of her insurance cover with Admiral.

I also think it was important to Mrs S to be using the services of her own insurer. She also, as Admiral has pointed out, wanted things to be done quickly. But it is possible for more than one thing to be important to a policyholder. There might, of course, come a crunch point when they have to decide *which* is the most important thing for them. But crucially, if an insurer is treating their customer fairly, it will give them all the reasonable facts they need for them to make an informed decision in this respect. Admiral didn't do that here.

The consequence of Admiral's failure was that when things didn't go to plan with the car hire company, Mrs S was left feeling abandoned because she came to realise it was separate to Admiral. I understand how worried she's been and that she feels let down by Admiral. She also had to put in some time and effort to uncover and understand the real position of the relevant businesses, and what that meant for her. It isn't for me to make Admiral change the way it operates – that is the role of the regulator. But I can make it pay compensation to Mrs S to make up for the distress and inconvenience it's caused to her. Here I think that £200 is fairly and reasonably due.

Putting things right

I require Admiral to pay Mrs S £200 compensation.

My final decision

I uphold this complaint. I require Admiral Insurance Company Limited to provide the redress set out above at *"Putting things right"*.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 5 July 2022.

Fiona Robinson
Ombudsman