DRN-5538375

The complaint

Mr H complained that Advantage Insurance Company Ltd ("Advantage") charged a second policy excess fee for a damaged hire car, when his car was being repaired due to an accident claim, under his motor insurance policy.

What happened

Mr H's car was damaged by a third-party driver. He made a claim to Advantage, and it arranged for his car to be repaired. Whilst the repairs were underway Mr H was provided with a hire car. The hire car was vandalised, which also required repairs. Mr H said he had to pay a policy excess fee toward the hire car claim that cost him £450. He was told this was because he had no proof of who caused the damage.

Mr H didn't think this was fair and asked for the fee to be refunded or for Advantage to pay half. It didn't agree so he complained.

In its final complaint response Advantage said it logged a separate claim for the damage Mr H had reported to the hire car. As this was separate to the claim he'd made for his car, it said a policy excess fee for £475 was payable. Advantage said that this requirement was made clear in Mr H's policy terms and in the hire agreement.

Mr H didn't think he'd been treated fairly by Advantage and referred the complaint to our service. Our investigator didn't uphold his complaint. He said Advantage had applied the policy excess charge fairly in line with its policy terms.

Mr H didn't accept our investigator's findings and asked for an ombudsman to consider his complaint.

It has been 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.

Having done so I'm not upholding Mr H's complaint. Let me explain.

Mr H's certificate of motor insurance says:

"*Courtesy (or replacement) vehicles ("Replacement Vehicle") are covered on your policy when supplied to you or any named driver(s) (set out in number 5 of this certificate) by your Insurer's nominated suppliers either: 1. whilst your vehicle is being repaired; 2. at your Insurer's request.*

An exception to this is if the nominated supplier of the courtesy or replacement vehicle provides their own insurance cover to you. This will be set out in your agreement with them."

Mr H’s policy excess charges are detailed in his policy schedule. This is the first part of the claim cost that he is liable to pay. The excess payable in relation to the hire car damage is £475. I note Mr H referred to £450 in his submissions to our service. But the correct amount is £475. This the amount he was charged.

I’ve read the hire agreement. Under “*Potential Additional Charges*” it says “*Damage/Theft Excess*”. Next to this is says “*Renter’s own insurance*”. From this I think it was made clear that Mr H was covered to drive the hire car under his existing policy with Advantage. In the event of a claim relating to the hire car he must pay the first £475 toward the cost of any repairs. So, I don’t think Mr H was treated unfairly in this regard. This was a separate incident and separate claim to the damage caused to his car.

I asked Advantage to provide evidence to show what it cost to repair the hire car. This is because Mr H need only pay the full excess fee if the repairs are equal to or greater than this amount. The damage was limited to scratches on the driver’s side of the car. So, it’s possible the repairs cost less than £475. However, Advantage has responded with details of the repairs to include the costs involved. The total cost was greater than Mr H’s excess payment, so I can’t say that it treated him unfairly here.

There’s no requirement under Mr H’s policy terms for Advantage to pay half his excess fee. The business has complied with the terms of its policy so I can’t see that it’s done anything wrong. So, although I understand this situation must be very frustrating for Mr H, I don’t think Advantage treated him unfairly when charging the policy excess fee it has. So, I can’t reasonably ask it to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr H to accept or reject my decision before 18 August 2025.

Mike Waldron
Ombudsman