

The complaint

Mrs T complains that Advantage Insurance Company Limited (“Advantage”) charged her an additional excess when she had repairs carried out at her own choice of repairer in a claim under her motor insurance policy.

Mrs T is represented in her complaint by a third party, and the incident in question involved a family member of hers. But, for ease, I’ll refer to her throughout as though the actions are hers.

What happened

Mrs T has a car which is insured by Advantage under a car insurance policy. The policy is one that requires the fitment and use of a telematics device (‘black box’).

In January 2025 she was involved in a collision with a third-party vehicle. She was judged to have been at fault. Damage was caused to both vehicles. Mrs T contacted Advantage and made a claim.

She took her car to a repairer which wasn’t one of Advantage’s approved repairers (which are generally referred to as ‘nominated repairers’ by it). Repairs were carried out by this repairer. Mrs T was required to pay the policy excess for her, which was £490, plus an additional excess because she’d used a non-approved repairer of £250.

As Mrs T wasn’t happy about this extra excess, she complained. Advantage didn’t uphold her complaint. It said the terms and conditions of its policy were clear.

Mrs T brought her complaint to this service. She asks that Advantage refunds the £250 additional excess and she remains frustrated that she doesn’t understand why the extra excess is applied. She’s commented that it will take quite some time for her to pay off just this additional excess.

Our investigator looked into her complaint and thought it wouldn’t be upheld. He said he thought Advantage acted in line with its terms and conditions in applying the additional excess, and he thought it had acted fairly.

Mrs T didn’t agree with the view and made several points about regulations and points of law. Because she didn’t agree, her complaint has been passed to me to make a decision.

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.

It’s important I start by saying that this service isn’t the regulator, which is the Financial Conduct Authority. We’re an independent dispute resolution service and it’s my role to make a decision based on whether Advantage acted fairly and reasonably when it settled Mrs T’s claim.

I'll take into account other factors like the policy terms and conditions, relevant law and industry practice when I'm deciding a complaint, but I don't have powers to require a business to change its procedures or processes.

I'd also assure Mrs T that I've read the entire file, even if I don't respond to it all here. This is in line with our informal approach.

Having read the file, I'm not upholding Mrs T's complaint.

I can see from the file that Mrs T was making a claim for the repairs for her own car's damage. Under Advantage's claims procedure, this would normally mean the car would be repaired by one of its approved repairers.

Under the terms of the policy, Mrs T was able to use her own choice of repairer:

"Can I choose my own repairer/garage? You can take your car to a repairer of your choice but if you do so you won't be entitled to the benefits available under the nominated repairer scheme and there will be an additional excess to pay as shown on your schedule of insurance.

You will also need to submit a repair estimate to your insurer for authorisation before the work can start, which may delay the progress of your claim and the repairs to your car."

This type of wording is common in the insurance marketplace and I think it's fair. It allows a customer to select their own repairer which may be more convenient for them, or allow them some level of reassurance if they feel they can get better service from their own choice. As I've said above, the "additional excess" payable by Mrs T was £250 over and above the £490 she'd picked for her own excess.

In her approach to this service, Mrs T has mentioned that she wasn't aware of the £250 additional excess. Although I can't see that she's raised this specific part of her complaint with Advantage, I have looked at the terms and conditions she's been supplied with.

The additional excess is mentioned on the Insurance Product Information Document (IPID):

"Are there any restrictions on cover?

An excess may be payable and amounts can differ by claim type and who's driving

An additional excess of £250 applies if you use a non approved repairer"

And it's shown on the policy schedule:

"Excesses

Your excess is the part of a claim you have to pay, even if the damage or loss isn't your fault. It also applies if a named driver was in charge of the car.

You'll find a detailed explanation of what each type of excess means in the "Meaning of words" section of your car policy document.

These excesses are based on you using one of our approved repairers.

You can use your own repairer for an accidental damage or fire and theft claim but you'll still have to pay the excess shown above, plus an additional excess of £250."

When Mrs T claimed, I can see she was told by her choice of repairer that it was usual for an additional excess to be applied by an insurer. There's also a call between her and Advantage where this is, again, discussed. Despite this, she went ahead with repairs from her own garage.

I think it's fair I say that the information about the excess was available to Mrs T when she bought the policy, and certainly she discussed it at least twice during the claim. She's responsible for checking the policy documents, and if she objected to the inclusion of this excess, then she could have checked or asked Advantage about it.

So, I don't think I can say Advantage was at fault here. I do appreciate Mrs T's concern about the length of time it'll take her to pay off this amount, but the choice on repairer was hers. If she didn't want to pay the excess then she likely could have changed to one of Advantage's approved repairers at an early stage in the claim.

I've said above that I think the wording is fair, and I think it was reasonably brought to Mrs T's attention. So I think Advantage acted fairly and reasonably in applying it to her claim.

Mrs T has also made several points about how she thinks Advantage has acted unfairly and unlawfully in applying the additional excess. I need to re-iterate here that we're not the regulator and don't have powers to interfere in a company's processes.

What I can do is provide some background about why Advantage may apply this excess, which I'd remind her is in line with most, if not all, of the motor insurers in the marketplace.

When a claimant chooses to use a non-approved repairer, the process undertaken is non-standard for the insurer. Simply put, the garage will generate a quote for the work, which is then passed to the insurer. The insurer may approve the quote, or it may negotiate with the repairer about (for example) the labour rate, or parts used in the repair. These negotiation points are minor here, it's the significance of the insurer carrying out additional work that it wouldn't normally have to do with an approved repairer, where the work is already being done at agreed terms.

So, by selecting her own repairer, Mrs T is likely adding to Advantage's costs in processing and settling her claim.

It's also likely that, if there was an issue with the quality of repairs being carried out, under Advantage's agreement with its approved repairers, there'd be a mechanism for having rectification work carried out. What this means is that Advantage de-risk the repairs. If a non-approved repairer is used, there isn't likely to be a relationship between that garage and Advantage, which increases the administrative burden to Advantage, and I think it's fair I say that it increases the risk of further payments from it.

I also think it's fair I say that most of Advantage's customers making a claim likely choose the approved repairer route. What this means is that they don't have to pay the additional excess, saving them money.

Mrs T has said that by having this additional excess, Advantage is in breach of the Consumer Rights Act 2015 (CRA) and the Unfair Contract Terms and Consumer Notices Regulatory Guide (UNFCOG) – which sets out how the powers under the CRA will be applied for unfair terms and consumer notices.

For a contract term to be deemed unfair under the CRA, it has to cause a significant imbalance in the parties' rights and obligations under the contract to the detriment of the consumer.

As I've said above, this type of excess is common in the motor insurance marketplace and I don't agree this excess creates a significant imbalance under the CRA, and so UNFCOG doesn't apply.

There are other factors in play here, and I can see Mrs T has had these explained to her in the view.

I've thought about her points that the increased excess isn't fair, as it's not treating customers the same. But I think the points I've made above, and others in the view, help show that by choosing her own repairer, Mrs T likely increased Advantage's costs and risks. So I think its application of a non-approved repairer excess is fair.

As I mention above, I think this excess was clearly shown in the IPID and policy wording. So I can't say Advantage has acted unfairly and I'm not upholding this complaint.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 17 November 2025.

Richard Sowden
Ombudsman