

The complaint

Mr L complains about Skyfire Insurance Company Limited ("SIC") and the excess they charged after he made a claim on his motor insurance policy.

What happened

In December 2020, Mr L purchased a motor insurance policy underwritten by SIC. This policy renewed in December 2021 and 2022. Unfortunately, in February 2023, Mr L was involved in a road traffic accident. So, he contacted SIC to make a claim on his policy.

SIC accepted Mr L's claim, and upon Mr L's request, they arranged for the repairs to his car to be completed at a repairer of Mr L's choice, rather than one of their own approved repairers. I'll refer to this repairer as "B". But when Mr L took his car to B, he was made aware of a £600 excess he was expected to pay. Mr L was unhappy about this, so he raised a complaint.

Mr L didn't think the £600 excess was a fair one. He accepted his policy had a standard excess of £150, and that using a non-approved repairer required an additional payment of £250. But Mr L didn't think an extra £200 excess should be applicable. And so, he wanted this £200 to be refunded to him, plus compensation for the upset and inconvenience he was caused.

SIC responded to the complaint and didn't uphold it. They thought the excess Mr L was charged was correct, and in line with the terms and conditions of the policy Mr L held. So, they didn't think they needed to do anything more. Mr L continued to disagree, as he didn't think the terms and conditions set out the applicable excesses clearly. So, he referred his complaint to us.

Our investigator looked into the complaint and didn't uphold it. They thought the £600 excess SIC charged was a fair one, calculated in line with the policy Mr L held. And they didn't think they had seen any evidence that showed SIC mis-managing Mr L's expectations regarding this. So, they didn't think SIC needed to do anything more.

Mr L didn't agree. He thought the "*Additional own damage, fire and theft*" excess of £200 was unfair, and unclear. Mr L explained this additional excess wasn't made clear at the time the policy was purchased using a comparison website. And because of this, he maintained his belief it should be refunded.

Our investigator considered Mr L's comments. But their view remained the same, explaining Mr L's belief that a wider rule change for insurers and clarity of excesses would need to be raised with the industry regulator, the Financial Conduct Authority, rather than ourselves. Mr L continued to disagree and so the complaint has been passed to me for 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.

Having done so, I'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr L. I don't doubt Mr L's testimony regarding his awareness of the applicable excess. From what he's told us, I think it's clear Mr L was unaware, or at the very least did not completely understand, the additional own damage excess shown on his policy schedule. So, I can understand why Mr L feels unfairly treated.

But for me to say SIC should do something differently, such as refund Mr L part of the excess he paid, I first need to be satisfied SIC did something wrong. So, I'd need to be satisfied that SIC failed to act in line with the terms and conditions of the policy Mr L held when calculating the excess applicable to the claim. Or, if I think they did act within these, I'd need to be satisfied that SIC acted unfairly in some other way. And in this situation, I don't think that's the case.

I've seen the policy schedules attached to Mr L's insurance policies, from 2020 to 2022. And in all three schedules, it states the following:

"The following excesses will apply to each section of the Policy Wording as follows:

1,2,6: Standard Excess £150

1,2,6: Voluntary Excess £0

3: Windscreen Repair Excess £25

3: Windscreen Replacement Excess £95

1,2,6: An additional excess of £250 applies in addition to any excess shown if you choose not to use the insurers approved repairer."

I note Mr L isn't disputing the standard excess of £150, or the additional excess of £250 as he accepts he chose to use his own repairer. But for completeness, I'm satisfied the policy schedule, which forms part of Mr L's policy documents, makes both excesses reasonably clear.

The policy schedules then go onto explain that *"Endorsements may apply to your policy which impose an additional excess in certain circumstances or for certain vehicle types. Please refer to the "Endorsements" section above to see if any of these are applicable to your policy"*.

And I've seen above this, within the same document on the same page, it states *"Endorsement 1 – Additional own damage fire and theft excess: £200"*.

So, from the wording SIC provided, I think it's made reasonably clear that this £200 excess would be applicable, on top of the standard excess, and non-approved repairer excess. And I think this is further supported by the terms and conditions of the policy itself, where it explains under the heading *"Extra conditions – endorsements"* that for endorsement 1, Mr L is *"responsible for the first amount of each claim under section 1 accidental damage...to your car"* and that *"this amount is increased from the standard excess listed on your schedule...this excess will apply as well as any standard excess (or excesses)"*

So, as Mr L was claiming for damage repairs for his own car, and using a non-approved

repairer of his choice, I think SIC acted in line with the terms and conditions of the policy Mr L held when applying a further £450 excess on top of the standard £150 excess, taking the excess payment to £600 in total.

But as I've explained above, as well as thinking about whether SIC acted in line with the policy terms and conditions, I've also thought about whether I think SIC acted fairly when doing so. And when considering this, I've thought about whether I think SIC treated Mr L the same as any other customer in the same situation. And I think they have.

I've listened to a call between SIC and Mr L, before his repairs were arranged with B. And on this call, I think SIC made it clear Mr L's excess would be £350, with an extra £250 on top of this should Mr L continue to use B. And in the same call, I think SIC made a concerted effort to ensure Mr L understood this, which he said he did. Had Mr L been concerned about the excess amount, I would've expected him to raise it at this time, but he didn't. So, I think SIC acted fairly when progressing the claim the way they did, at Mr L's request. And I think this is what they would've done for any other customer.

I also note Mr L feels the applicable excess on his policy changed at renewal, from the policy he originally purchased. But I've seen the policy schedules from each policy year, and the accompanying terms and conditions. And I'm satisfied the excesses applied to Mr L's claim were the same value in each schedule, so I can't agree that SIC changed Mr L's policy unfairly, or without his knowledge.

But I note this doesn't necessarily address Mr L's concerns about the information he was given regarding the policy excesses at the time of purchase. And he thinks the way SIC advertise their policy, and any applicable excess, it deliberately misleading. But this isn't the complaint Mr L raised with SIC, nor is it the complaint this decision is able to address. This decision focuses solely on the application of the excesses to Mr L's claim, and whether they were correct, and fair. Should Mr L feel he was mis-sold the policy, he would need to raise this as a specific complaint directly with L. But I would make it clear that, following any response from SIC, our service is unable to comment upon, or direct a business to change, their business processes. Or the way in which the industry can advertise their policies on comparison websites. This would be the role of the industry regulator, the Financial Conduct Authority.

So, because of all the above, I don't think SIC have done anything wrong on this occasion and because of this, I don't think they need to do anything more.

My final decision

For the reasons outlined above, I don't uphold Mr L's complaint about Skyfire Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 14 November 2023.

Josh Haskey
Ombudsman